

AGRICULTURAL OUTLOOK

October 1982

Economic Research Service
United States Department of Agriculture



AGRICULTURAL OUTLOOK

October 1982/AO-81



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Economics Editor
Lorna Aldrich (202) 447-2317

Managing Editor
Leland Scott (202) 382-9755

Editorial Staff
Sherrie Meyer
Shirley Hammond
Patricia Singer

Statistical Coordinator
Ann Duncan (202) 447-2319

Production Staff
Deborah Perrelli, Carrie Thompkins,
Susan DeGeorge

For more information, contact:

Commodity Highlights—Don Seaborg
(202) 447-8376

Farm Income—Gary Lucier and
Allen Smith (202) 447-4190

Food Prices—Ralph Parlett
and Poul Westcott (202) 447-8804

General Economy—Paul Prentice
(202) 447-2317

Marketing Costs—Dave Harvey
(202) 447-6860, or Denis Dunham
(202) 447-8804

Transportation—T.Q. Hutchinson
(202) 447-8666

World Agriculture and Trade —
John Dunmore (202) 382-9818 or
Sally Byrne (202) 447-8857

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In Brief. . . News of 1982 Crops, Food Prices, and the World Grain Market

Agricultural Economy

Like last year, large crop supplies and a weaker-than-expected economy are dominating prospects for the new marketing year. Record U.S. production is now forecast for corn, wheat, and soybeans. Meanwhile, the July tax cut has not yet boosted the U.S. economy as anticipated. Besides dampening domestic demand, the slow recovery of the U.S. economy is also limiting foreign demand for grains and oilseeds. Growth in U.S. and other developed countries' imports is needed to support economic recovery and demand for farm products in the rest of the world.

The continued combination of slow demand and large crop supplies is expected to boost grain and oilseed stocks again this year. With economic weakness and high interest rates continuing through a third straight year, cumulative financial pressures are leading livestock producers to make conservative production decisions. As a result, total meat and poultry output may remain about the same next year, after falling over 3 percent in 1982.

A relatively small number of large farms account for a substantial share of total agricultural product sales. Only 1 percent of farms had sales of \$500,000 or more in 1982, but these farms accounted for 30 percent of total cash receipts. Farms with sales of \$100,000 or more represented 12 percent of all farms in 1981, while accounting for 68 percent of cash receipts. By contrast, about 72 percent of all farms had sales of less than \$40,000 last year, which together amounted to about 13 percent of total cash receipts.



World Agriculture and Trade

Record supplies and lower prices are in prospect for the world grain market this season. World production of wheat, coarse grains, and rice (milled basis) may total near last year's 1.5 billion tons. With use likely to increase only marginally, further stock accumulation is anticipated, mostly in the United States. World trade is expected to total near 1981/82's record volume, and a recovery in the U.S. share is likely.

Food and Marketing

Large supplies of vegetables and other crops are slowing the rise in retail food prices. Now forecast at 5 percent, the 1982 rise would be the smallest annual increase since 1976. The farm value is expected to average around 3 percent above last year's level, the third consecutive year of relatively small increases.

Agricultural Policy

On September 23, the Secretary announced provisions for the 1983 feed grain program. Target prices for 1983-crop feed grains will be \$2.86 a bushel for corn, \$2.72 for grain sorghum, \$2.60 for barley, and \$1.60 for oats. Loan rates will be \$2.65 a bushel for corn, \$2.52 for sorghum, \$2.16 for barley, \$1.36 for oats, and \$2.25 for rye. (There is no target-price program for rye.) In addition, the 1983 program will feature a combined 10-percent acreage reduction and 10-percent paid land diversion.

On September 27, the Secretary announced provisions for the 1983 upland cotton program. The 1983 target price was set at 76 cents a pound, with the loan rate set at 55 cents a pound for Strict Low Middling 1-1/16 inch cotton, micronaire 3.5 through 4.9, at average U.S. location.

Managing Farm Finances In the 1980's

During much of the 1970's, farmers who borrowed heavily to expand their farms reaped large financial rewards. Strategies of the 1970's are less applicable now because the rate of inflation has slowed, interest rates have risen, and the value of farmland has declined. To boost returns in the early 1980's, many farmers are paying more attention to risk and current cash flow than to capital gains on assets purchased through borrowing.



Agricultural Economy

As was the case a year ago, the new marketing year is beginning with large crop supplies and a weaker-than-expected economy dominating the outlook. Record U.S. production is now expected for corn, wheat, and soybeans. Meanwhile, the expected boost to the economy from the July tax cut has not yet appeared. Besides dampening domestic demand, the slow recovery of the U.S. economy is also limiting foreign demand for grains and oilseeds. Growth in U.S. and other developed countries' total imports is needed to support economic recovery and demand for farm products in the rest of the world.

The continued combination of slow demand and large crop supplies is expected to boost grain and oilseed stocks again this year, leaving the stocks-to-use ratio for corn at 38 percent, for wheat at 52 percent, and for soybeans at 21 percent. Even with 75 percent of wheat stocks and 83 percent of corn stocks anticipated to be under loan or in the farmer-owned reserve, prices are likely to average lower this season than in 1981/82.

With economic weakness and high interest rates continuing through a third straight year, cumulative financial pressures are leading livestock producers to make conservative production decisions. Despite sharply higher hog prices than a year ago, pork producers are expected to cut output around 3 percent in 1983, following this year's projected 12-percent drop. Cattle and broiler producers will probably continue to limit production next year. Beef production is projected about even in 1982 and down slightly in 1983; broiler production is projected to rise 2 percent in 1982 and about the same in 1983. As a result, total meat and poultry output may remain about the same next year, after falling over 3 percent in 1982. These low production expectations persist despite anticipated low feed prices and economic recovery—albeit moderate—in 1983, likely indicating producers' caution and their difficulty in getting loans to expand.

Crop producers, particularly winter wheat producers, are weighing USDA program features for 1983 in their planting decisions. Signup for the 1983 wheat, feed grains, and upland cotton programs began October 1. This year's low crop prices are making old bank loans more difficult to pay, while declining land values make new ones more difficult to get. Thus, the programs' feature of advance diversion and deficiency payments could be attractive. Participation in the wheat and feed grain programs this year, as last, is required to place crops under loan or in the farmer-owned reserve, as well as to receive payments. Cotton producers must participate to receive loans and payments.

This year, initial estimates indicate that participation in the acreage-reduction program covered 28.8 percent of the corn acreage base, 48.2 percent of wheat, and 75.0 percent of rice. (Cotton compliance figures are expected to be incomplete until mid-October, when numbers for the Texas High Plains become available. Total cotton participation is estimated at 70 to 80 percent.) However, good yields and increased plantings by nonparticipants

offset the acreage reductions to produce this year's large crops of wheat and corn. Cotton production, partly because of weather, will be smaller, as will the rice harvest. The 1983 programs increase incentives for participation, so with financial pressures continuing because of low prices, participation may rise.

Farmers' ability to weather several years of low crop prices depends on their current cash flow, which has been in the best shape on debt-free farms. Through most of the 1970's, however, a strategy of buying farm assets through borrowing led to financial success on the farm. The conditions of the 1980's may reward a different, more conservative management strategy, one that farmers—and their bankers—seem to be adopting.

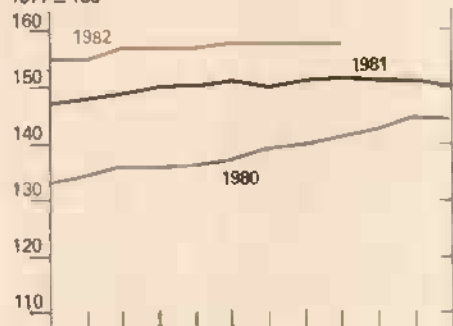
Outside the grain and livestock complex, fruit and vegetable producers have fared somewhat better in the past 3 years than grain, oilseed, and cotton farmers. For this fall, noncitrus fruit supplies will be up substantially, which could moderate prices, depending on the citrus crop. Two successive freezes may have damaged citrus trees and could reduce yields this season. Grower prices for potatoes, sweet potatoes, edible beans, and fresh vegetables all reached record or near-record highs in the past 2 years, although large crops this year will likely push 1982 prices below last year's averages.

Large supplies of vegetables and other crops are slowing the rise in retail food prices. Now forecast at 5 percent, the 1982 rise would be the smallest annual increase since 1976. The farm value is expected to average around 3 percent above last year's level, the third consecutive year of relatively small increases. (Lorna Aldrich (202) 447-2317)

Prime Indicators of the Agricultural Economy

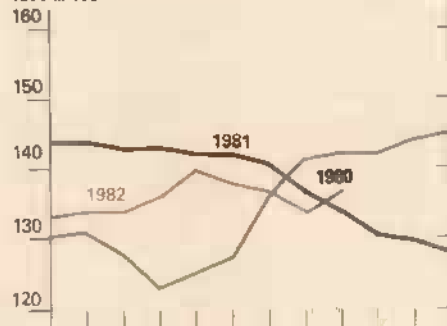
Prices paid by farmers¹

1977 = 100



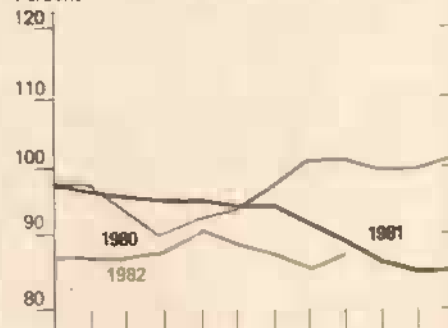
Prices received by farmers²

1977 = 100

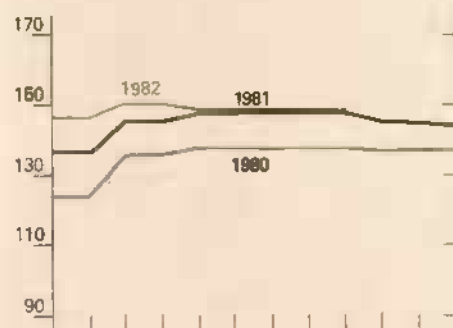


Ratio of prices received to prices paid

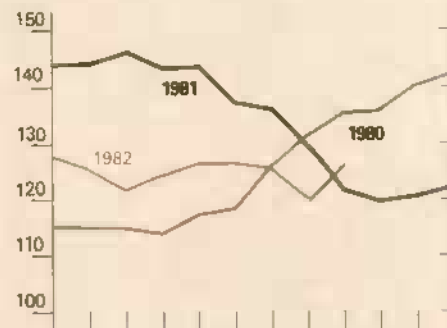
Percent



Fertilizer prices

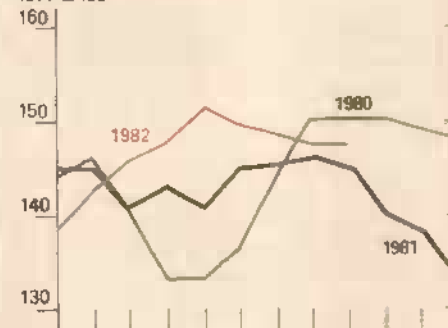


All crops

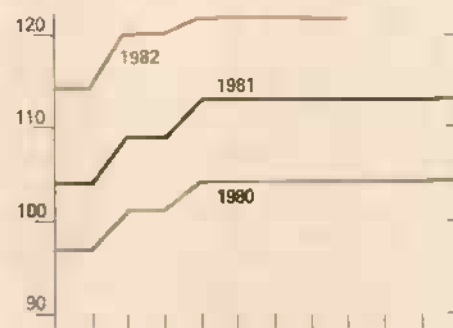


Livestock and products

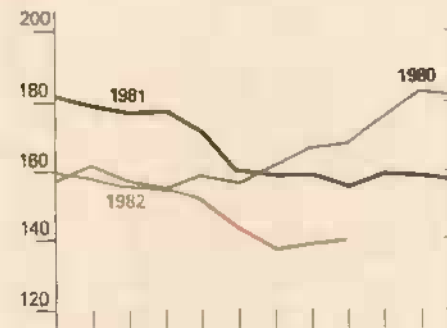
1977 = 100



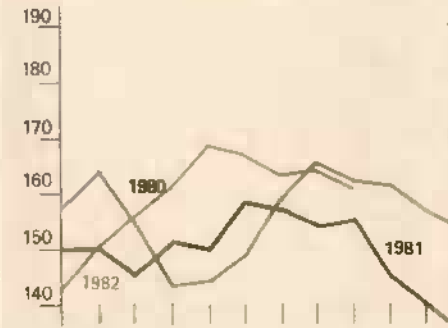
Agricultural chemicals



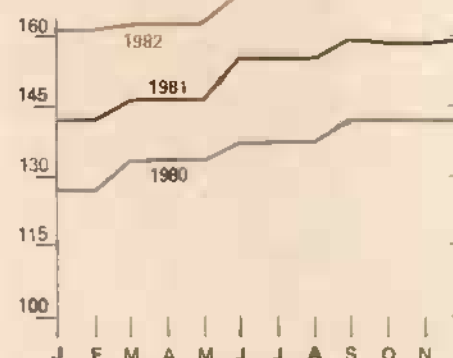
Food grains



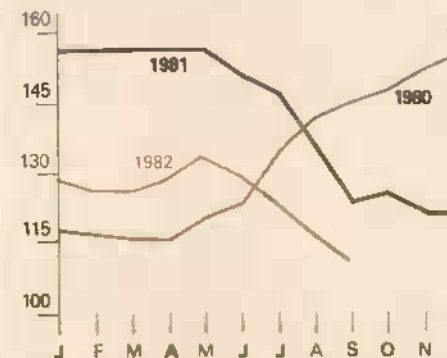
Meat animals



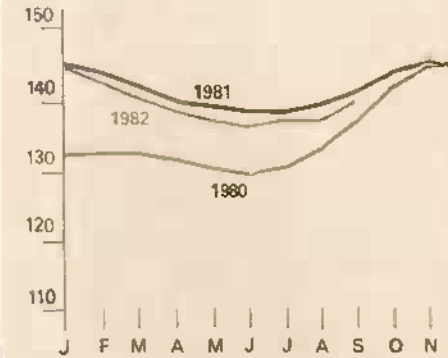
Tractors and self-propelled machinery



Feed grains and hay



Dairy products



¹For commodities and services, interest, taxes, and wages.

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

²For all farm products

LIVESTOCK HIGHLIGHTS

Cattle

As of September 1, the number of cattle on feed in the 7 major feeding States was 8 percent larger than a year earlier, but 3 percent below 1980 and 25 percent below 1972's record. Marketings in August increased 11 percent, second only to the record pace of August 1972. Marketings again exceeded net placements; so far this summer, 364,000 more cattle have been marketed from feedlots than have been placed on feed. Feedlots continue fairly current, but slaughter weights have risen well above the light levels of early summer.

Beef production this summer was about 3 percent larger than a year ago, as both nonfed slaughter and fed cattle marketings picked up and slaughter weights increased. Production should remain near a year earlier this fall, as increased fed cattle marketings about offset declines in nonfed slaughter.

In early June, Choice steer prices at Omaha reached their highest weekly average of the year, \$73.25. Through June and early July, prices moderated as slaughter levels increased and general uncertainty about the meat complex continued. Prices in July and August averaged about \$65.50, but heavier slaughter weights and slow demand pushed prices below \$60 in late September. Choice steer prices averaged about \$64.50 this summer and may range from \$65 to \$69 this fall. Continued weakness in consumer demand following the July 1 tax cut is again raising questions about economic growth this fall and in 1983. Even so, cattle prices are expected to remain above cash costs and near break-even levels through next spring.

Utility cow prices at Omaha this summer averaged slightly below the \$43 of a year ago. Cow slaughter continues to run above year-earlier levels, particularly in the Lake States, Central and Eastern Corn Belt, and Southeastern States.

Renewed strength in feeder cattle prices will depend on feedlot profitability. Yearling feeder cattle prices at Kansas City averaged around \$66.50 this summer. Prices are forecast to average \$66 to \$70 in the fall, rising in response to the large grain crop and

Livestock Data Book Available
Livestock and Meat Statistics, Supplement for 1981 is now off press. This annual fact book gathers under cover the latest annual estimates of ERS, SRS, and AMS and provides up to a decade of historical data. Includes livestock production, inventories, marketings and slaughter, as well as meat production, prices, and trade. See "Recent Publications" section for ordering details.

lower grain prices, plus continued relatively profitable feeding conditions this fall and winter, particularly in the western Corn Belt. However, feeders will likely remain cautious in bidding for replacement cattle. [Ron Gustafson (202) 447-8636]

Hogs

Although farrow-to-finish producers are now recovering all production costs (including ownership charges), the September *Hogs and Pigs* report indicates that producers continue to reduce their inventories from a year ago. The overall inventory in the 10 quarterly reporting States was down 12 percent from a year earlier, the tenth consecutive quarter of year-to-year declines. The market hog inventory was down 12 percent, while the breeding herd was down 13 percent. Producers indicated intentions to farrow 10 percent fewer sows in September-November and 4 percent fewer in December-February. These reductions suggest that pork production will decline substantially through most of 1983.

Hog slaughter during the third quarter averaged about 11 percent below last year. Commercial production for the third quarter totaled about 3.2 billion pounds, down 10 percent from last year; average dressed weights exceeded last year's relatively light 169 pounds. Hog prices at the 7 major markets averaged about \$62 per cwt, with many record prices being tied or broken during August.

Fourth-quarter hog slaughter will be drawn largely from the September 1 inventory of hogs weighing 60 to 179 pounds, which was down 12 percent from a year ago. However, while last year producers were reducing the breeding herd in the fourth quarter, they may be rebuilding it this year in response to greatly improved profitability. As a result, the number of hogs available for market will be further diminished. Slaughter is forecast to drop 17 to 19 percent from last year, with fourth-quarter prices averaging \$58 to \$62 per cwt.

Commercial hog slaughter in first-quarter 1983 is drawn mostly from the September inventory of hogs weighing under 60 pounds, which was down 12 percent. First-quarter slaughter is now projected to be 10 to 12 percent below a year earlier. Hog prices in the first quarter are also forecast to average \$58 to \$62 per cwt, compared with \$48.17 in first-quarter 1982.

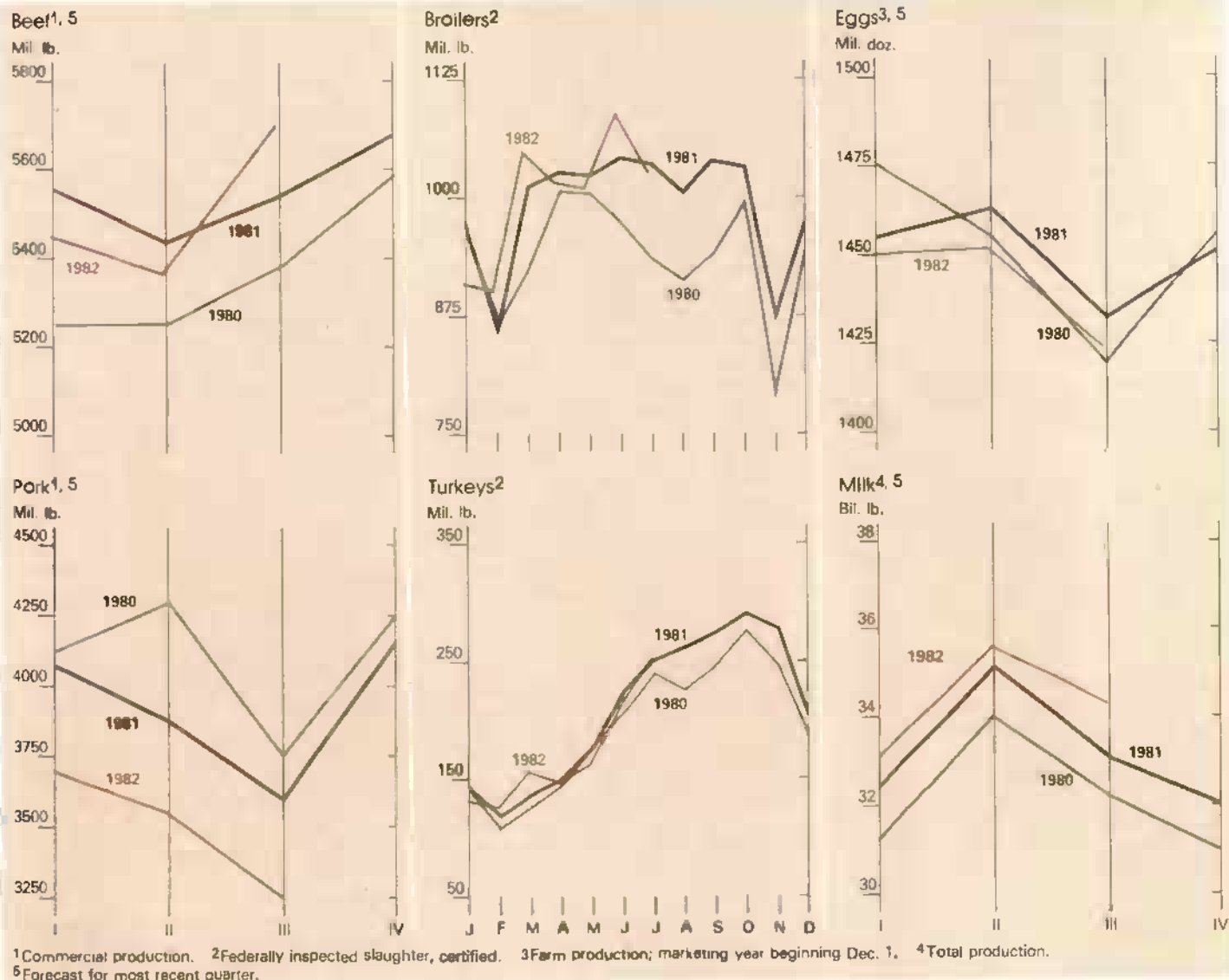
Pork production for 1983 is projected to total 13.5 million pounds, down 3 percent from 1982. Prices are expected to average \$56 to \$62 per cwt. [Leland Southard (202) 447-8636]

Broilers

Prospects for record corn and soybean crops are expected to lower feed prices and help hold broiler production costs steady. However, broiler prices have been weak because of plentiful supplies and disappointing exports, especially for whole birds.

During July-September, broiler meat output from federally inspected plants rose an estimated 3 percent from last year's 3.08 billion pounds. Anticipation of increased consumer incomes from the tax cut, plus expectations of a drop in red meat supplies, particularly pork, encouraged producers to expand output. Broiler output in October-December is expected to increase 1 to 3 percent from fourth-quarter 1981. Although there are fewer replacement pullets for hatchery supply flocks, broiler producers will probably expand output again in 1983—possibly 1 to 3 percent.

During April-June, wholesale prices for broilers in the 9 cities averaged 45 cents a pound, off 2 cents from 1981. Prices averaged 43 cents in August,



down from 47 last year. Third-quarter prices averaged 44 cents, also down from 47 last year. With their usual decline in the fourth quarter, prices may average near last year's 42 cents. Next year, broiler prices are forecast to average 44 to 50 cents, compared with 43 to 45 this year. [Allen Baker (202) 447-8636]

Turkeys

Preliminary weekly slaughter reports and poults hatched through July indicate turkey meat output probably fell about 6 percent from last year in the third quarter but may about equal last year's level in the fourth quarter. If producers have a profitable second half, as now appears likely, output in 1983 may increase 4 percent from this year.

Cold storage stocks of frozen turkey on August 1 were 16 percent below last year's 401 million pounds. Since stock levels are not excessive and production is down, turkey prices are expected to strengthen during the remainder of the year.

Wholesale 8- to 16-pound hen turkeys in New York averaged 59 cents a pound in the second quarter, down from 64 cents last year. During the third quarter, prices averaged about 65 cents, compared with last year's 63. Prices should strengthen seasonally in the fourth quarter to 66 to 70 cents, sharply above last year's 55 cents. If turkey output expands about 4 percent in 1983, prices may average 61 to 67 cents, compared with 61 to 63 this year. [Allen Baker (202) 447-8686]

Eggs

High interest rates and the weak general economy have kept egg producers cautious about expanding, thus reducing demand for replacement pullets. The number of replacements entering the laying flock during June-August was almost 4 percent below last year, and September-November replacements will be down 2 percent. However, replacement numbers may rise slightly from last year's low level during the remainder of 1982 if producers plan to stabilize flock size.

During March-May, egg production was 1.45 billion dozen, down 1 percent from last year. Production may also be about 1 percent below a year earlier through first-half 1983. If domestic and foreign demand strengthens, output could increase slightly in the last half of 1983.

During June-August, egg prices were weak, at least partially because of reduced exports. Prices for cartoned Grade A large eggs delivered to retail stores averaged 64 cents a dozen, down from 71 cents during June-August 1981.

Egg prices usually strengthen during September-November because of holiday baking. During this period, prices may average 70 to 74 cents a dozen, down from 77 cents last year. During December 1982-November 1983, cartoned eggs in New York may average 71 to 77 cents a dozen, up from 71 to 72 a year earlier. [Allen Baker (202) 447-8636]

Dairy

The support price on October 1 will remain \$13.10 per cwt for milk with 3.67 percent fat (\$12.80 at 3.5 percent fat). This support—the same level that was in effect October 1, 1980—is the minimum specified under new dairy legislation contained in the Omnibus Budget Reconciliation Act of 1982. In addition, as authorized by the new legislation, the Secretary of Agriculture will implement a 50-cent-per-cwt deduction for all milk marketed beginning December 1.

During the second quarter, milk production increased 1.1 percent from a year earlier. The milk cow inventory was up 93,000 (0.9 percent) from a year earlier, and output per cow increased 7 pounds (0.2 percent). In the

fall, with the number of dairy herd replacements per 100 milk cows record large, some expansion in the herd may occur. In addition, the milk-feed price relationship is expected to continue very attractive for heavy concentrate feeding. Thus, year-to-year gains in output per cow are likely. As a result, milk production is expected to continue increasing, as it has since mid-1979. This year's production will likely be 1.5 to 2 percent larger than last year's record 132.6 billion pounds.

The recent dairy legislation, enacted on September 8, sets \$13.10 per cwt as the minimum support level for the marketing years beginning October 1, 1982, and October 1, 1983. For the marketing year beginning October 1, 1984, the minimum support will be the level of parity that \$13.10 represents on October 1, 1983. In addition, during the period October 1, 1982, to September 30, 1985, the Secretary of Agriculture may provide that 50 cents per cwt be deducted from the proceeds of all milk marketed commercially by producers, if net price-support purchases for the marketing year are expected to equal or exceed 5 billion pounds (milk equivalent). Effective April 1, 1983, to September 30, 1985, the Secretary may provide for deduction of an additional 50 cents per cwt if net marketing-year purchases are expected to go over 7.5 billion pounds. In that case, though, a program must be established to refund their second 50-cent deduction to producers who lower their output by a specified amount.

Dairy farmers' reactions to the December 1 and authorized April 1 deductions will be important in determining 1983's milk production. The deductions add further uncertainty to other economic factors—low feed prices, large forage supplies, and unfavorable farm and nonfarm alternatives. If farmers react quickly and start to reduce their herds, production for 1983 is likely to be about unchanged. If, however, producers delay reacting until after next spring's large production period, 1983 milk output will show a sizable increase.

Prices received by farmers for all milk reached a seasonal low in June and have risen slightly since. For first-half 1982, the all-milk price averaged 1.8 percent below a year earlier. Farm milk prices should rise between August and December, reflecting a moderately improved economy, a normal increase in fat content, and a higher fluid-milk utilization rate caused by seasonally lower production. However, because there was no increase in the support price, the all-milk price is expected to average the same as last fall. By mid-1983, the effective return per cwt received by farmers for milk could decline by more than 7 percent from a year earlier.

Wholesale prices for butter, cheese, and nonfat dry milk continue stable. They have been unchanged since October 1980 because supplies are more than ample and the Commodity Credit Corporation support prices are unchanged. Since the support price and purchase prices did not increase and the 50-cent deductions have no direct effect on the wholesale market, prices are expected to stay near current levels through mid-1983. Retail dairy product prices are expected to average 1 to 2 percent higher this year, because of higher farm-to-retail marketing costs. Retail prices will likely increase somewhat again in first-half 1983, also because of higher farm-to-retail costs. [Clifford Carman (202) 447-8636]

CROP HIGHLIGHTS

Coarse Grains

The domestic feed grain harvest is still forecast at 252 million metric tons. However, a sluggish export market since late July has increased projected carryover stocks by 2.6 million metric tons to 67.7 million.

The new crop's projected size has been sufficient to keep prices under pressure. The price of No. 2 yellow corn at St. Louis averaged \$2.33 a bushel through the first half of September, but contract bids for fall delivery at country points in Illinois were reported in the \$1.90 to \$2.00 range.

In mid-September, the adjusted farm prices (terminal prices, adjusted for transport) for corn, barley, and sorghum were substantially below

their respective loan and reserve prices. Based on contract bids for fall delivery of corn, the adjusted farm price may fall even further below loan and reserve prices during harvest. Consequently, farmers who participated in the feed grain program will have a strong incentive to place their harvest under loan or directly in the reserve this fall. By the end of August, 22.7 million bushels of new-crop sorghum had already been placed in the reserve.

Foreign production may increase slightly in 1982/83. Yields may improve, but area is down in several regions. With only a small gain in output, foreign coarse grain use is forecast to rise less than 2 percent. Feed use is estimated up 3 percent.

Prospects for world coarse grain trade have worsened in recent weeks. Soviet grain imports this summer were down sharply from movements last winter and spring. Thus, the forecast of 1982/83 (July-June) Soviet imports was reduced to 25 million tons, slightly below last year. Purchases by Poland and other East European countries have also been slow this summer, so the 1982/83 forecast of their imports was reduced to below 6 million tons, down from 7.2 million last year.

World exports are now expected to total near 1981/82's 104 million tons, with U.S. exports at 66.5 million (July/June). Exports by Argentina, Australia, and South Africa will likely decline sharply—3-1/2 million tons combined. [Larry Van Meir (202) 447-8444 and Sally Byrne (202) 447-8857]

Wheat

Although the planted area of U.S. spring wheat was cut nearly 10 percent in response to the 1982 acreage-reduction program, favorable weather resulted in a record Hard Red Spring harvest (topping 500 million bushels) and the second-largest Durum crop ever. Adding these harvests to the banner winter wheat crop puts total 1982 wheat production at an alltime high of 2.82 billion bushels, 1 percent above last year's record.

The supply of wheat for 1982/83 will also be the largest ever—just under 4 billion bushels. Even with prospects for near-record disappearance—particularly exports—yearend stocks will continue to climb, reaching their highest level since the early 1960's. Reflecting the large supply, farm wheat prices have been the lowest in 4 years and are likely to average below last season's \$3.65 a bushel. As a result, a 20-percent acreage-reduction program will be in effect for the 1983 wheat crop.

The forecast of world wheat production in 1982/83 is now less than 1 percent below last year's record. With no increase expected in global consumption of wheat, stocks will rise for the second consecutive year. There will be little change in stocks held by foreign countries, leaving the United States with a big share of the increased stocks.

Australia's drought has now lasted 4 months. The situation has been further aggravated by unseasonably warm weather in August, prompting another reduction in the forecast of wheat output, with yields at their lowest level in 10 years. The estimate of Soviet wheat production was reduced by 1 million tons this month, reflecting an adjustment among grains. Production forecasts for other regions generally rose. Prospects improved for Argentina, South Africa, and Western and Eastern Europe.

Expected world trade in wheat and wheat flour remains essentially unchanged from last year at 101 million tons. Exports by Canada, the EC, and Argentina are expected to be higher than last year, but because of reduced Australian supplies, total exports by U.S. competitors will change little. U.S. exports are forecast at 48.5 million tons (July/June). [Allen Schienbein (202) 447-8444 and Bradley Karman (202) 447-8879]

Oilseeds

The 1982/83 U.S. soybean outlook is dominated by large supplies and low prices. As of September 1, soybean production was forecast at 2.31 billion bushels, 14 percent above the 1981 crop. This year's larger crop is due to a 4-million-acre increase in harvested area and a higher average yield.

Stocks on September 1 were 268 million bushels, so the U.S. soybean supply for 1982/83 is a record 2.58 billion bushels. Reflecting this large supply and lower prices, soybean use is expected to increase 3 percent from last season. Exports are projected at 960 million bushels, up 30 million, while the domestic crush could total 1.09 billion bushels, up 60 million.

The forecast crush would push soybean meal supplies to over 26 million tons this season, a 6-percent increase. Meal prices could average around 4 to 18 percent below 1981/82's \$183 a ton. As a result, domestic use of meal is expected to rise 3.5 percent this year to 18.1 million tons. Soybean oil stocks could decline slightly in 1982/83, as low prices encourage both domestic use and exports. The average price is likely to range from 16 to 20 cents, compared with 1981/82's 19 cents.

Soybean farm prices will fall sharply this season, as projected stocks build to a record 440 million bushels. During harvest, prices may be near the soybean loan rate of \$5.02 a bushel. For the season, prices could average between \$5.25 and \$6.00 a bushel, down from last season's \$6.05 and 1980/81's \$7.57.

World oilseed production for 1982/83 will be about 185 million metric tons. U.S. soybean exports for 1981/82 are expected to total a record 25.3 million tons, rising in 1982/83 to about 26 million. Brazil's soybean meal exports for 1981/82 are now estimated at about 8 million tons, the same level as forecast for 1982/83. U.S. exports of soybean meal for 1981/82 are estimated at 6.35 million tons, down nearly 100,000 tons from last month's forecast.

Foreign consumption of soybean meal is projected to gain 8 percent in 1982/83, mostly in the EC-10 where protein meal prices will be cheap relative to grains. The EC's Common Agricultural Policy keeps grain prices artificially high relative to protein meal prices. World soybean stocks in 1982/83 are forecast to increase 39 percent to a record 19.8 million tons. [Sam Evans (202) 447-8444 and Jan Lipson (202) 447-8855]

Cotton

The U.S. cotton crop is forecast at 11 million bales, 29 percent below last year, reflecting an expected 58-percent drop in Texas production and widespread compliance with the acreage-reduction program. The average yield per harvested acre is forecast up, but the harvested area has decreased from 13.8 million acres in 1981 to 9.3 million this year.

Despite the drop in production, large carryin stocks have kept supplies almost as large as a year ago. Total use in 1982/83 is expected to be the same as last season, so stocks on August 1, 1983, are forecast to remain very high—5.8 million bales—down only 0.7 million from this August.

Domestic mill use is forecast at 5.6 million bales this season, about 0.3 million above 1981/82. Seasonally adjusted mill use during August was at a 5.2-million-bale annual rate, about the same as July and up from June's rate of 4.9 million. The strength of the economic recovery, textile trade, and denim and corduroy sales will be the key factors that determine whether this season's mill use will rebound.

Cotton prices strengthened during July and August in the face of the Texas disaster, but they have since tapered off because of continued weak mill use and reduced export prospects. In late September, spot prices averaged 59 cents a pound, down more than a nickel from July and about 12 cents below a year ago.

U.S. cotton exports during 1982/83 are forecast at 6.3 million bales, 0.3 million below 1981/82. By September 16, U.S. export commitments—exports plus outstanding sales—were around 2.6 million bales, 0.5 million below a year earlier. At this time a year ago, China had purchased 0.8 million bales, but their purchases this season have been virtually zero so far.

Foreign production is forecast at last year's level, with consumption up only marginally. The forecast for mill use has been trimmed from earlier expectations, because the global economic turnaround has been pushed further into 1983. In addition, the estimate for foreign stocks has been revised upward, based on higher Chinese stocks. World imports are forecast at 19.3 million bales, 1 million below the previous 2 years. Sales by major competitors, especially Mexico, will probably fall again. [Keith Collins (202) 447-8776 and Eileen Manfredi (202) 447-8912]

Rice

As of September 1, the 1982 U.S. rice crop was forecast at 157.9 million cwt, up 1 percent from last month's estimate, but still 17 percent less than last year's bumper outturn of 185.4 million cwt. Rice acreage decreased substantially in all States except Missouri, which recorded a 5-percent increase. The acreage-reduction program was effective in lowering production and planted acreage, but good yields and record carryin stocks of 48.9 million cwt will likely push 1982/83 rice supplies to a record 207.2 million cwt.

Domestic disappearance is projected at 62.5 million cwt in 1982/83. With expected exports of 91.2 million cwt, total disappearance for the season is forecast at 163.7 million. Although total use is expected to exceed production, the large stocks will likely mean another year of excessive supplies, with little price improvement.

Season-average farm prices are still forecast at \$8.25 to \$9.75 per cwt. It is becoming increasingly unlikely, however, that average prices for August-December will exceed the upper end of the range, making significant deficiency payments almost certain.

Foreign production will likely fall marginally this year, with declines expected for some major exporters (Thailand, India) and importers (South Korea, Indonesia). Foreign consumption will likely remain flat. In India, it may fall because of that country's poor crop. Thai consumption is expected to be up 4 percent, as stocks decline. Foreign ending stocks may drop, especially in India and Japan.

World trade is expected to remain near last year's level, and prices will likely stay depressed. Thailand has continued to aggressively market its rice, and 1982 shipments may reach 3.5 million tons, up 15 percent from last year. [Barbara A. Claffey (202) 447-8444 and Eileen Manfredi (202) 447-8912]

Sugar

World sugar production in 1981/82 is still estimated at 97.9 million metric tons. With consumption of about 91 million, the world carryover into 1982/83 is about 7 million. In 1982/83, beet sugar output is estimated to decline about 1-1/2 million tons, but cane sugar may not drop as much. As a result, world production is likely to top 95 million tons. However, sugar use may not rise above 93 million, so global sugar stocks could climb further next season.

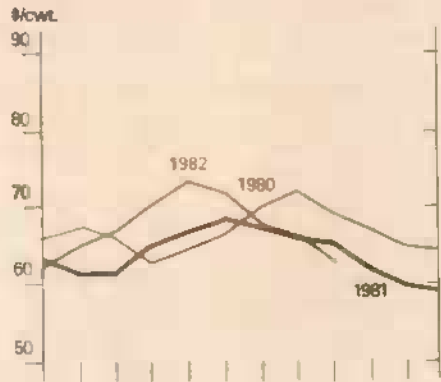
World sugar prices (f.o.b. Caribbean, Contract No. 11) have continued to weaken, averaging 6.8 cents a pound in August and falling on September 14 to the lowest point in 10 years—5.8 cents a pound. These price levels contrast with 1981's annual average of 16.9 cents. World prices are expected to continue low most of next year.

Domestic prices for raw sugar declined to 20.8 cents a pound on September 14, falling from August's average of 22.4 cents in anticipation of large domestic and foreign supplies during October-December. The estimate for U.S. sugar production in 1982/83, 5.8 million short tons, has been raised about 100,000 tons from last month.

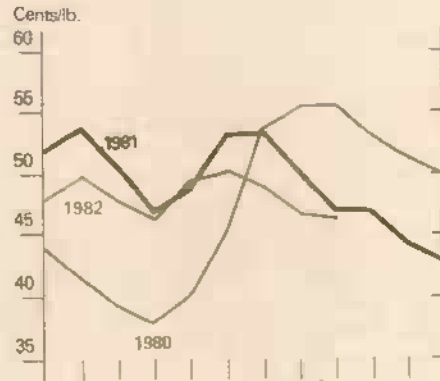
An import quota of 2.8 million short tons (raw value) has been announced for fiscal year 1983. The quota will be allocated to sugar exporters based on their historical shares of the U.S. market. Minimum quotas for the smaller exporters could raise the 1982/83 estimated import level to 2.9 million tons. That would compare with estimated U.S. imports of somewhat over 3 million tons in 1981/82.

Commodity Market Prices: Monthly Update

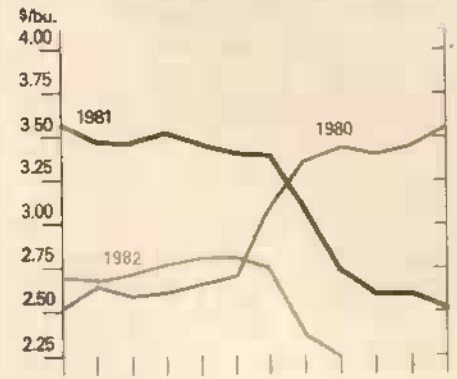
Choice steers¹



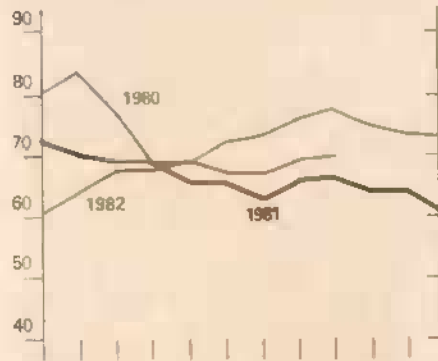
Broilers⁴



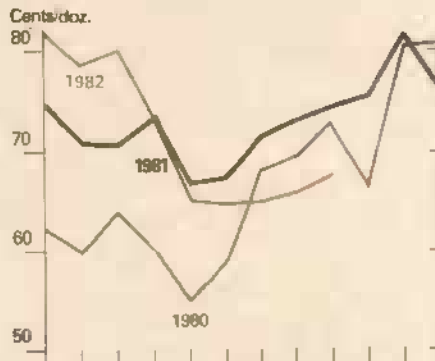
Corn⁶



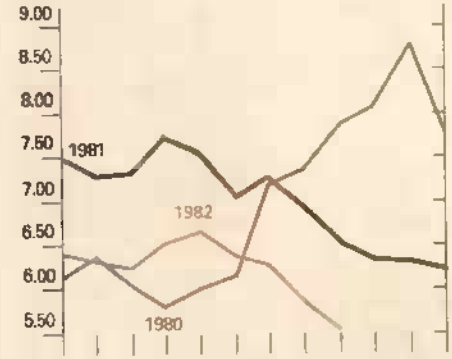
Choice feeder cattle²



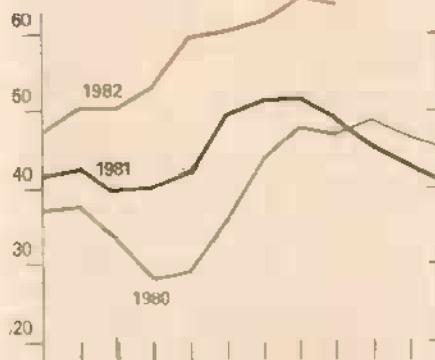
Eggs⁵



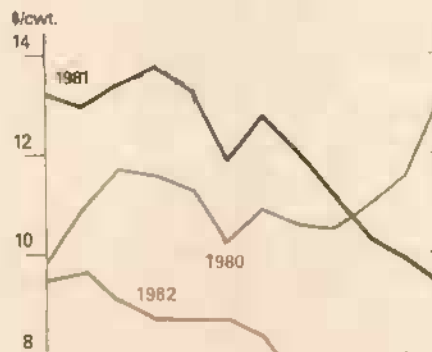
Soybeans⁷



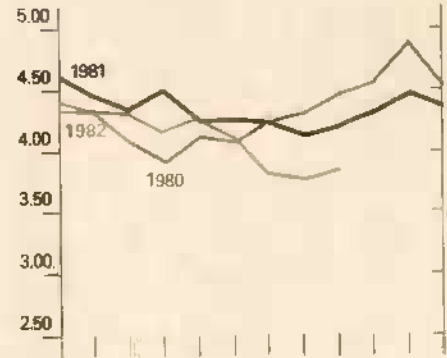
Barrows and gilts³



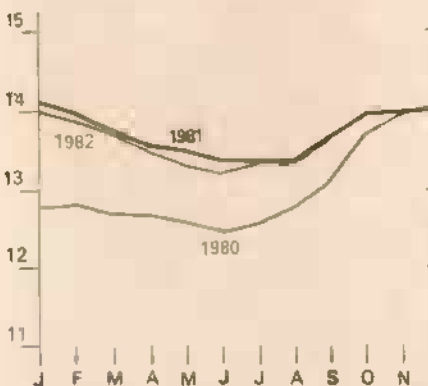
Rice (rough)



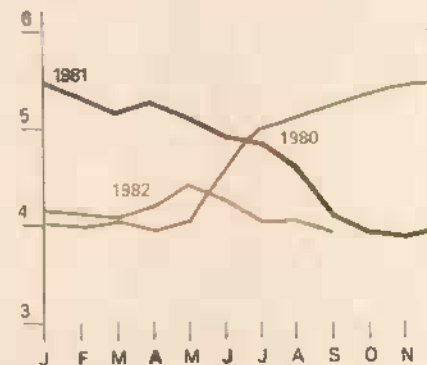
Wheat⁸



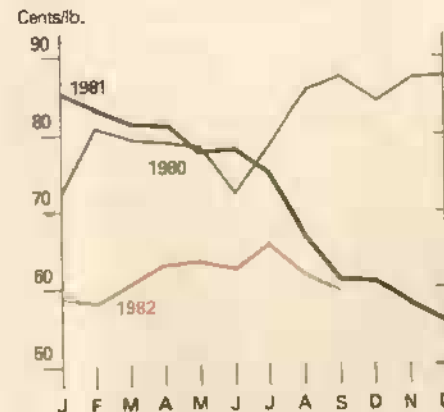
All milk



Sorghum grain



Cotton⁹



Prices for most recent month are mid-month prices.
¹Omaha. ²600-700 lbs., Kansas City. ³7 markets.

⁴Wholesale, New York. ⁵Grade A Large, New York.

⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.

⁸No. 1 HRW, Kansas City.

⁹Average spot market, SLM, 1-16."

U.S. sugar consumption in calendar 1982 is now estimated at 9.2 million tons (raw value), down from 9.77 million in 1981. Use of high fructose corn syrup is projected at 3.1 million tons, dry basis, up from 2.67 million in 1981. Overall, caloric sweetener use in 1982 may be down from last year. [Robert D. Barry (202) 447-7290]

Peanuts

Domestic edible use of peanuts increased by 16 percent in the 1981/82 marketing year. Use of salted peanuts jumped by 35 percent, while peanut butter use rose by 10 percent. Candy use also rose.

Exports climbed by 15 percent in 1981/82 but are still far short of 1977-79 levels. Reasons for the slow rebound from the very low exports of 1980's drought-reduced crop include the strong dollar, alternative sources of peanut supplies, and ample supplies of other nuts.

As of September 1, peanut production for 1982 is forecast at 3.43 billion pounds (1.55 million metric tons), 14 percent less than last year's record crop, but 49 percent above 1980. In all States except New Mexico, acreages were lower because of a 17-percent drop in quotas and weaker demand for peanuts. However, the overall yield is estimated at a record high. [Verner Grise (202) 447-8776]

Tobacco

The September 1 estimate of U.S. tobacco output was 1.92 billion pounds, down 7 percent from 1981 because of reduced total acreage. An increase in burley acreage and yields was more than offset by a decline in flue-cured acreage and yields. Ending stocks are estimated at 3.54 billion pounds, about 8 percent higher than a year earlier, so total supply for 1982/83 (beginning July 1 for flue-cured and cigar-wrapper types, October 1 for all others) should be 3 percent larger, or 5.5 billion pounds.

The 1982 flue-cured crop, estimated at 978 million pounds, is down 16 percent. Despite the smaller crop, the supply of flue-cured is 3.1 billion pounds, about the same as last year and an ample 3.1 years' use. June 30 ending stocks

were up 7 percent. This season's use may decline some from last year's 1.01 billion pounds, so the 1982 carryover will likely change little from this year.

Flue-cured sales began on July 21. By September 9, growers had marketed about 60 percent of the crop, with 23 percent of marketings going under loan. Poorer growing conditions lowered leaf quality this year, and prices of some lower-stalk grades are averaging less than last year. This factor, combined with weaker domestic and export demand, brought average flue-cured prices only 12 cents above a year earlier, despite the 7-percent increase in the price support. Seasonal sales through September 9 averaged \$1.76 a pound, about 7 percent above last year. With a smaller average price increase for all grades and with lower production, flue-cured cash receipts will likely decline from last year. Net receipts will decline even more, because of higher production costs.

This year's burley crop is expected to be the largest on record, but favorable curing conditions will be required to reach the forecast. Next year's supply of burley, 9 percent more than this season, represents 2.8 years' use and again provides adequate stocks. This year's ending stocks are projected to be 11 percent higher than last year.

Smaller crops are forecast for Maryland and cigar tobaccos. Crops of fire-cured and dark air-cured tobaccos should be larger. [Verner Grise (202) 447-8776]

Fruit

In early September, noncitrus fruit production for 1982 was forecast at 12.9 million tons, up almost 9 percent from last year. Despite a 12-percent smaller pear crop, supplies of fresh noncitrus fruit this fall are expected to be substantially larger than last year, reflecting an 11-percent larger apple crop and 25 percent more grapes. Therefore, prices this fall will likely decline from current high levels.

The 1982/83 packs of most canned fruit are expected to be down from last season. However, the total supply will be adequate for market needs because carryin stocks are significantly larger. The sluggish economy and slack movement will moderate price increases.

Although the September storm in California will cut raisin production this year, the large carryover will maintain adequate supplies. Likewise, lower prune production will be offset by a substantially larger carry-over. The adequate supplies and the slow economy may keep prices of dried fruit relatively steady.

This year's packs of frozen strawberries and tart cherries are sharply larger than a year ago. Even with substantially reduced imports of frozen strawberries from Mexico, total supplies will be ample. Prices of both frozen cherries and strawberries are expected to weaken. [Ben Huang (202) 447-7290]

Vegetables

Contract production of the four major processing vegetables (snap beans, sweet corn, green peas, and tomatoes) this year is estimated to total 11.1 million tons, 22 percent more than last year and the most since 1975's record output. Output of tomatoes and sweet corn is estimated to rise 32 and 12 percent, respectively, while production of snap beans and green peas will decline moderately.

Despite the heavy rains in California in late September, tomato production will be up this year, in contrast to 1980 and 1981. According to the California Crop and Livestock Reporting Service, crop losses are estimated at about 5 percent of the crop. Production should be close to previous estimates, striking a good balance between supply and demand.

Of the side-dish vegetables, supplies of frozen sweet corn and frozen snap beans will likely be record large. In contrast, supplies of canned peas and snap beans will be the smallest in several years, which could cause some sharp price runups in 1983 if sales pick up.

The wholesale price index for canned vegetables in August stood at 243.5 (1967=100), 5-1/2 percent higher than a year ago, but up only 1 percent from January. The August wholesale index for frozen vegetables was 283.2 (1967=100), a rise of 8 percent from last year. Meanwhile, the July retail price index for processed vegetables was 139.7 (1977=100), up 4 percent from a year earlier. Price gains have slowed in the past year because of smaller rises in marketing costs and generally sluggish sales of processed vegetables. With generally ample supplies of most processed vegetables for the coming year, retail and wholesale price increases should remain relatively small through 1983. [Michael Stellmacher and Barbara Peacock (202) 447-7290]

FARM INCOME

1981 Data by Sales Classes

The July 1982 issue of *Agricultural Outlook* carried estimates of total net income earned by farmers in 1981. Data available since then show how income to the farm sector is distributed by value of sales class. Aggregate farm income statistics provide useful indicators of income and financial trends, but can mask the circumstances of smaller subgroups of farmers whose financial situations are likely to vary widely. The income data by sales class provide another view of the economic well-being of farm people and farm businesses.

The data reveal that a relatively small number of large farms account for a

substantial share of total agricultural product sales. Only 1 percent of farms had sales of \$500,000 or more in 1981, but these farms accounted for 30 percent of total cash receipts. Farms with sales of \$100,000 or more represented 12 percent of all farms in 1981, while accounting for 68 percent of cash receipts. By contrast, about 72 percent of all farms had sales of less than \$40,000 last year, which together amounted to about 13 percent of total cash receipts.

Farms with agricultural sales of \$40,000 or less—especially those with sales below \$10,000—are not as heavily dependent on farming for family income as are larger farms. According to the 1978 Census of Agriculture, 92 percent of farmers with sales of

Income Per Farm Operator Family¹, 1981

	Sales class										
	\$500,000 and over	\$200,000 to \$499,999	\$100,000 to \$199,999	\$100,000 and over	\$40,000 to \$99,999	\$20,000 to \$39,999	\$10,000 to \$19,000	\$5,000 to \$9,999	\$2,500 to \$4,999	Less than \$2,500	All farms
Total farms											
					Thousands						
Farms numbers	25	87	186	298	396	278	286	335	332	511	2,436
					\$ Mil.						
Cash receipts	44,727	27,856	28,150	100,733	27,983	9,042	4,686	2,778	1,389	721	147,332
Net farm income ² . . .	12,978	3,983	2,949	19,910	1,509	-244	-292	-331	-462	-501	19,589
Off-farm income	N/A	N/A	N/A	4,104	3,383	2,826	4,010	6,170	7,377	11,459	39,329
Total income	N/A	N/A	N/A	24,014	4,892	2,582	3,718	5,839	6,915	10,958	58,918
Distribution:					Percent						
Farms	1.0	3.6	7.6	12.2	16.3	11.4	11.7	13.8	13.6	21.0	100.0
Cash receipts	30.4	18.9	19.1	68.4	19.0	6.1	3.2	1.9	.9	.5	100.0
Net farm income ² . . .	66.3	20.3	15.1	101.7	7.7	-1.2	-1.5	-1.7	-2.4	-2.6	100.0
Off-farm income	N/A	N/A	N/A	10.4	8.6	7.2	10.2	15.7	18.8	29.1	100.0
Total income	N/A	N/A	N/A	40.8	8.3	4.4	6.3	9.9	11.7	18.6	100.0
Per Farm					Dollars						
Net farm income ² . . .	518,635	45,666	15,867	66,790	3,813	-880	-1,022	-988	-1,389	-982	8,042
Off-farm income	N/A	N/A	N/A	13,772	8,543	10,165	14,021	18,418	22,220	22,425	16,145
Total income	N/A	N/A	N/A	80,562	12,356	9,285	12,999	17,430	20,831	21,443	24,180
					Percent						
Off-farm income as a percentage of total income	N/A	N/A	N/A	17	69	109	108	106	107	105	

N/A = Not Available. ¹ Including farm households. ² Excludes net farm inventory change.

Balance Sheet of the Farming Sector¹, January 1, 1982

	Sales class							All farms
	\$100,000 and over	\$40,000 to \$99,999	\$20,000 to \$39,999	\$10,000 to \$19,999	\$5,000 to \$9,999	\$2,500 to \$4,999	Less than \$2,500	
Total farms								
	\$ Mil.							
Assets	479,327	261,364	110,223	72,691	60,126	46,459	61,580	1,091,770
Debts	99,991	44,589	17,719	10,954	8,293	6,088	7,216	194,850
Equity	379,336	216,775	92,504	61,737	51,833	40,371	54,364	896,920
	Percent							
Distribution:								
Assets	43.9	23.9	10.1	6.7	5.5	4.3	5.6	100.0
Debts	51.3	22.9	9.1	5.6	4.3	3.1	3.7	100.0
Equity	42.3	24.1	10.3	6.9	5.8	4.5	6.1	100.0
Debt-to-asset ratio	20.9	17.1	16.1	15.1	13.8	13.1	11.7	17.8
	Dollars							
Assets	1,613,896	661,681	396,487	254,166	179,482	139,938	119,805	447,992
Debt	336,669	112,884	63,738	38,302	24,756	18,339	14,038	79,954
Equity	1,277,227	548,797	332,749	215,864	154,726	121,599	105,767	368,038

¹ Including farm households.

\$100,000 or more were primarily engaged in farming, 89 percent of farmers with sales of \$40,000 to \$99,999, 76 percent with sales of \$20,000 to \$39,999, and 60 percent with sales of \$10,000 to \$19,999. But slightly less than 30 percent of farmers with sales of \$10,000 or less worked primarily as farmers; of this number, many were likely using their farms partly for retirement purposes. For example, the 1974 Census of Agriculture revealed that 53 percent of farmers with sales of less than \$2,500 who reported farming as their primary occupation were 65 years old or older.

Farm operators with 1981 gross sales of less than \$100,000 earned more of their net family income from off-farm sources. And although the average farm income of farmers with sales below \$40,000 was negative in 1981, their total income—including off-farm income—was positive. Off-farm income per farm with sales of less than \$2,500 equaled \$22,425, over 30 times greater than the value of agricultural products sold by these farms.

Data are also available on the debt and asset situation of farms by sales class. These data reveal that farms with 1981 sales of more than \$100,000 accounted for about 44 percent of total farm assets, but held more than half of all farm debt. Farms in this sales class were carrying an average debt-to-asset ratio of nearly 21 percent last year. By contrast, the average debt-to-asset ratio of farms with sales of less than \$10,000 ranged from 11.7 to 13.8 percent.

Farmers with sales over \$100,000 earned 83 percent of their total income from farm sources. These farms, on the average, also carried larger debt loads, making them highly susceptible to changes in production and marketing conditions. While changes in the outlook for farm income will affect all farm families, changes in the general economy—employment, wages, and prices—may have a greater impact on smaller farms, given their heavy dependence on off-farm income sources. [Richard Simunek (202) 447-8342]

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the November *Agricultural Outlook* comes off press.

October

29 Agricultural Prices

November

- 1 Dairy Products
- 2 Poultry Slaughter
- 4 Egg Products
- 10 Crop Production
- 16 Cattle on Feed
- 23 Eggs, Chickens, & Turkeys

Reports available through subscription only. For subscription information, write or call: Jerry Clampet, SRS-Crop Reporting Board, Rm. 5809-South Bldg., Washington, D.C. 20250 (202) 447-2130.



World Agriculture and Trade

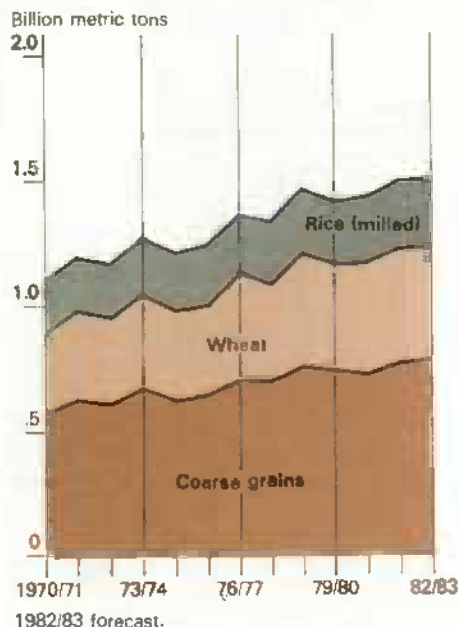
U.S. Grain Stocks Boost World Supplies

Record supplies and lower prices are in prospect for the world grain market this season. World production of wheat, coarse grains, and rice (milled basis) may total near last year's 1.5 billion tons. With use likely to increase only marginally, further stock accumulation is anticipated, mostly in the United States. World trade is expected to total near 1981/82's record volume, and a recovery in the U.S. share is likely.

The U.S. grain harvest could be record large this year. Despite crop shortfalls in several regions, foreign grain production may approach the 1981/82 harvest. Major uncertainties are harvest weather in the Northern Hemisphere, Southern Hemisphere crop outturns next spring, and the outcome of the USSR crop.

Crop prospects are mixed for the major exporting countries. Canada's grain crop, now mostly harvested, is estimated slightly above the 1981 record because of a larger wheat area and improved yields for wheat and barley. Drought has seriously damaged Australia's wheat crop, now forecast at about 9.3 million tons—compared with the average of 15 million for the past 4 years; barley and sorghum production are also down. Thailand's corn harvest

World Grain Production to Remain Near Last Year's Record



may increase this year, but its rice production could decline slightly because of drought. In Argentina, early indications point to a potential record grain crop next spring. South Africa's grain production is expected to recover. In the European Community (EC), now a net exporter of grain, output may also increase slightly.

The Soviet grain crop is likely to be poor for the fourth straight year, mostly because of reduced sowings and poor weather for spring crops. Chinese production may increase slightly to a record volume, but the gain will continue to trail population growth. In Eastern Europe, gains in wheat output will be partly offset by reduced coarse grain production. India's grain crop will be down significantly this year; unseasonable rains damaged the wheat crop, and the late arrival and erratic performance of the monsoon have reduced prospects for rice and coarse grains. Mexican grain production is estimated down 4 percent in 1982/83, with larger wheat and rice crops offsetting the drought-reduced coarse grain crop.

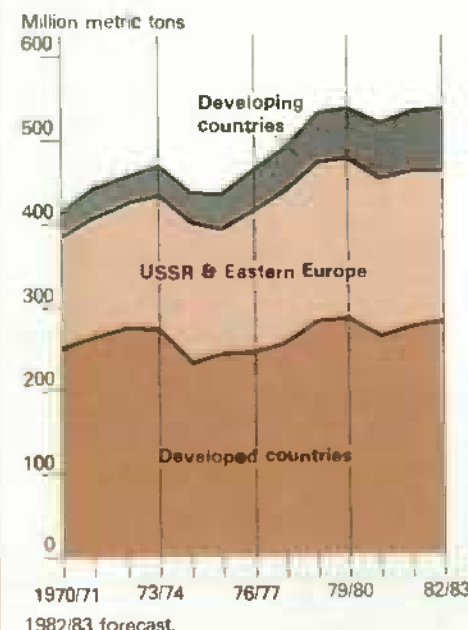
Global Use Forecast Up Marginally Expanded consumption of coarse grains will push total world grain use up in 1982/83. Per-capita use may decline slightly to about 324 kilograms, compared with a high of 336 in 1978/79. In the centrally planned and many developing countries, use will be limited by disappointing harvests and restricted imports due to foreign exchange and credit problems.

Following a 3-percent rise in 1981/82, feed use of grains may increase close to 1 percent this year. Little recovery is expected for feed use in the developed countries. No growth in global nonfeed use of grains is forecast for 1982/83. Nonfeed use may rise 1 to 2 percent in the developing countries; however, food use may weaken in the centrally planned countries, while industrial use will be dampened by sluggish economies in the developed countries.

With lower Indian rice consumption, world use may not increase from last year's level. Use may rise sharply in Burma, Bangladesh, and Thailand, but little increase is anticipated for China.

• **Developed countries.** High unemployment rates have reduced consumer demand for livestock products in many developed countries. Therefore, expansion of livestock output is expected to

Little Recovery Seen for Global Feed Use



be slow in 1983. In the EC, protein meal prices may be lower than corn prices during some periods, slowing corn imports. Imports of other nongrain feeds are expected to continue large. Thus, no increase in grain feeding is expected in the EC this season. In the other West European countries, feed use will recover from 1981/82's reduced level.

Profitability is improving in the Japanese livestock sector, and feed use of grains may rise marginally—but will remain below the record level of 1979/80. Under Government subsidy, rice is being used for livestock feed; 500,000 tons may be fed during 1982/83. Because of Canada's severe economic problems, feed use may recover only slightly.

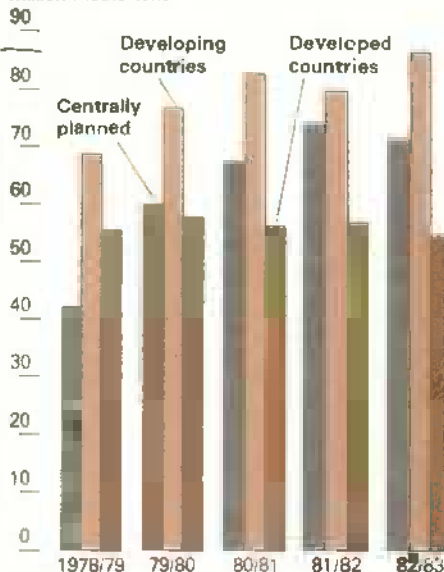
- **Developing countries.** Following a 7-percent jump last year, feed use in the developing countries may rise 4 percent in 1982/83. As the expansion in Brazil's poultry sector continues, feed use is projected up 2 percent. Growth in Mexico's feed use will slow to 4 to 5 percent because of reduced sorghum output and foreign-exchange shortages. Feed use in the Middle East is also forecast up 4 to 5 percent. Egypt and East Asia are expected to have slower growth in grain feed use than last year.

Indian grain consumption may decline slightly in 1982/83 because of production shortfalls. An expected 3.5-million-ton drop in rice use will more than offset larger wheat use.

- **Centrally planned economies.** Grain disappearance in the centrally planned countries may not expand in 1982/83. The slight gain anticipated in China will likely be offset by possible declines in Soviet and Eastern European grain use. Soviet feed use of grains may fall 3 percent, resulting in lower slaughter weights; no change is expected for food use. Larger East European grain production may allow feed use to remain near the 1981/82 volume. Chinese grain consumption may increase 1 to 2 percent, following a 2-percent gain in 1981/82. The volume of grain used for livestock feed in China is uncertain, but livestock feeding is expanding significantly.

Record Grain Imports Forecast for Developing Nations

Million metric tons



July-June years for wheat and coarse grains; calendar years for rice; excludes intra-EC trade. 1982/83 forecast.

U.S. Share of World Trade To Rise

World grain trade may total near last year's record volume in 1982/83. Because of crop shortfalls and expanding use, imports by the developing countries may rise 8 to 9 percent, while imports by the centrally planned and developed countries are forecast to decline slightly.

- **Wheat.** Following 3 years of rapid gains, no expansion in world wheat trade is anticipated in 1982/83 (July-June). Soviet imports are estimated at about 18 million tons, down from 19.5 million last year. China, which made heavy purchases early in the year, may import a record 14 million tons. Imports by the developed countries are forecast down 4 percent. Having jumped 12 percent in 1981/82, North African and Middle Eastern imports are expected to increase about 6 percent. Because of better crops, Brazil and Mexico will reduce their wheat imports sharply. So far, India has purchased 2.5 million tons of wheat, and its 1982/83 imports may reach 4 million tons.

With larger crops in prospect, most of the United States' major competitors will likely expand wheat exports this year. However, Australia's exports could drop to 8 million tons—3 million below last season. Shipments from the EC continue to expand and may reach 15.5 million tons. U.S. exports will remain large, although they may not match the 1981/82 record.

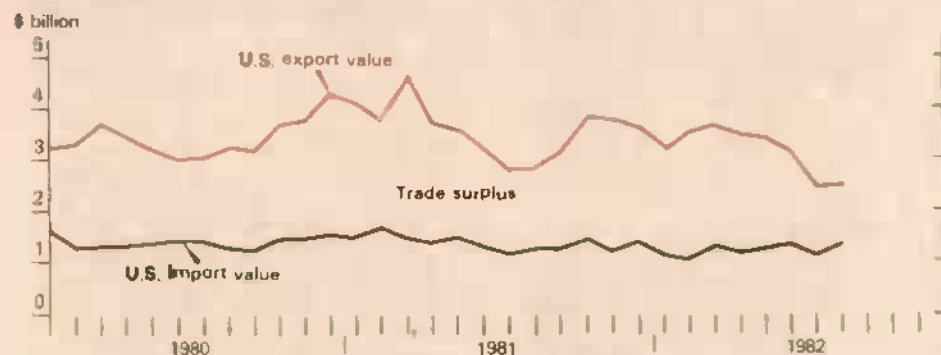
- **Coarse grains.** World coarse grain trade may match the 1981/82 volume, with shipments increasing to the developing countries and declining to the developed and centrally planned countries. Mexico could import 4.5 million tons, more than double last year's 2.1 million. Imports by the other Latin American countries may increase about 3 percent. As livestock industries resume growth in the developing countries of East Asia, shipments to this region are forecast up 6 percent in 1982/83. Iraq and Iran will be rebuilding their commercial feedlots, which rely on imported grains. Thus, imports by the Middle East are forecast to climb 11 percent, compared with 1981/82's 14-percent rise. North African imports are expected to grow about 16 percent.

The USSR will again account for about one-fourth of world coarse grain trade. Shipments may be slightly below 1981/82's 25.5 million tons. Eastern Europe's imports could drop below 6 million tons because of ongoing foreign-exchange and credit problems; imports totaled 7.2 million tons in 1981/82, down from 10.7 million the year before. Japan's imports are likely to remain near last year's volume if the rice feeding program reaches anticipated levels. EC purchases are not expected to recover from last year's depressed level, and imports by other West European countries will decline substantially.

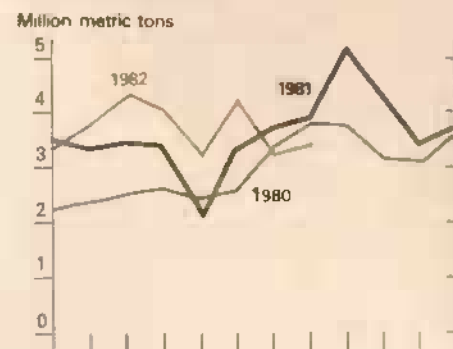
Coarse grain exports by the major foreign suppliers will likely decline in 1982/83 because of crop shortfalls last spring and summer. Argentine exports may decline to about 12.0 million tons. Exports by Australia, South Africa, and Thailand are also forecast sharply lower. However, Canadian exports may rise slightly.

U.S. Agricultural Trade Indicators

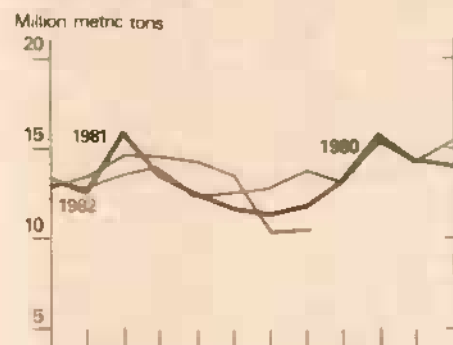
U.S. agricultural trade balance



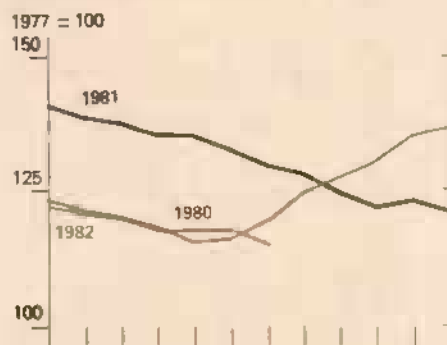
U.S. wheat exports



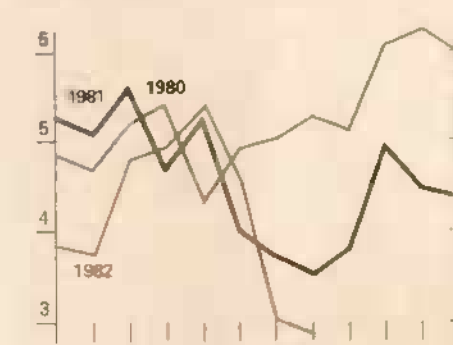
Export volume



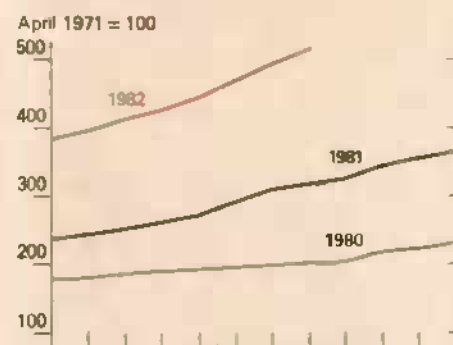
Export prices



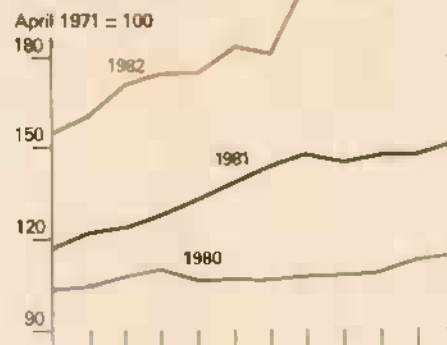
U.S. corn exports



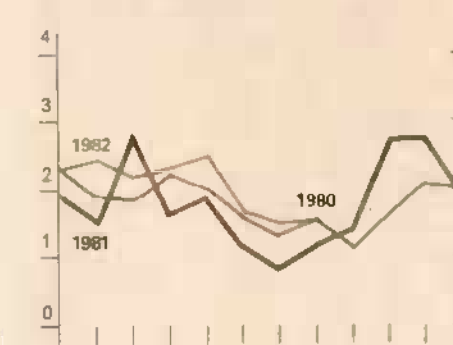
Wheat exchange rate*



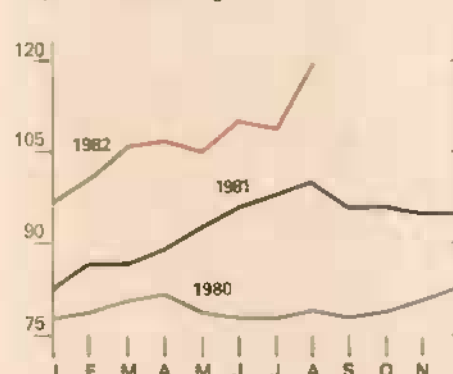
Corn exchange rate*



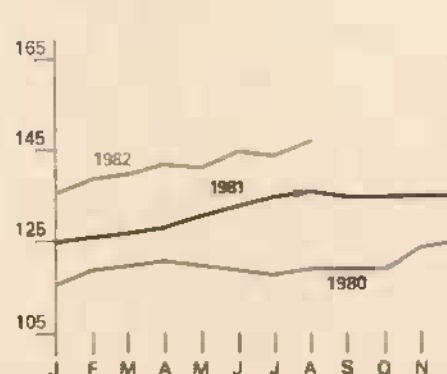
U.S. soybean exports



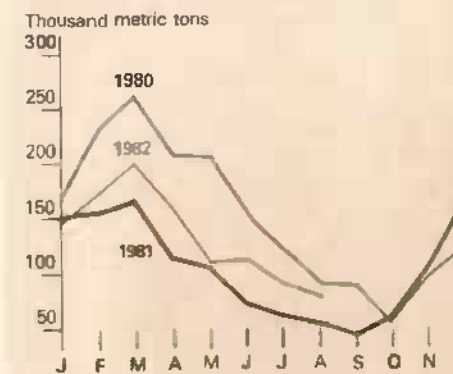
Soybeans exchange rate*



Cotton exchange rate*



U.S. cotton exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market.

• **Rice.** World rice trade is expected to decline to 12.3 million tons in calendar 1982 from 1981's record 13 million. No improvement is foreseen for 1983 as demand remains generally weak. South Korea and Indonesia are likely to import more next year because of their smaller 1982 crops. Middle Eastern imports may rise just 2 percent, and Latin American imports are expected to drop 5 percent. While Nigeria's imports are likely to recover, no growth is expected for the rest of Africa. Rice purchases by the developed countries may decline 2 to 3 percent.

Most major rice exporters have abundant exportable supplies this season. Thai exports are forecast at 3.3 million tons, compared with a record 3.5 million in 1982, and Pakistani and Burmese exports may increase substantially. Exports by Australia and India are forecast down in 1983. U.S. exports may total near 1982's estimated 2.9 million tons.

Stock Buildup, Lower Prices Foreseen

A significant buildup in world grain stocks is expected in 1982/83. While foreign grain stocks may decline 6 percent, U.S. stocks could jump 25 to 30 percent—pushing the world total up a tenth. World prices of coarse grains and wheat fell significantly during 1981/82 and are likely to average lower again this season.

Foreign wheat stocks may drop slightly. Australia will draw stocks down to minimal levels, and reductions are also likely in Turkey, Pakistan, and Iraq. With imports, India may build stocks by 1 million tons. Little if any accumulation is anticipated in the USSR.

Foreign coarse grain stocks are forecast down 4 percent. Stock drawdowns are expected in Europe, Brazil, Mexico, Egypt, Australia, and India. The USSR's coarse grain stocks are unlikely to rise, because wheat stocks have a higher priority. Foreign rice stocks may drop 17 percent to the lowest level since 1977; most of the drawdown is likely to occur in India, Indonesia, Thailand, and South Korea. [Sally Byrne (202) 447-8857]



Food and Marketing

MARKETING BILL UPDATE

Food Costs Continue Slow Climb
Consumer expenditures for U.S. food are forecast at \$300 billion in 1982, up 5.4 percent from 1981 and continuing recent years' slow growth. Large crops and a sluggish economy are keeping most farm prices at or below year-earlier levels. Costs beyond the farm—the marketing bill—are forecast to rise only 5.9 percent, held down by slower economic activity, small increases in energy prices, and smaller wage raises. Labor costs account for 45 percent of the marketing bill. During 1982 contract negotiations, workers exchanged slower wage increases for better job security.

Consumers paid almost \$285 billion for U.S. food in 1981. This marks an increase of \$170 billion from 1971, up

148 percent, compared with a rise of 125 percent in the Consumer Price Index. The rise in food expenditures encompassed a \$123 billion increase in the marketing bill and a \$47 billion expansion in the farm value.

The farm value rose by 128 percent from 1971 to 1981. Nevertheless, this accounts for less than \$47 billion, so the increase in farm value was only 27 percent of the rise in consumer food expenditures. During this time, farm prices climbed approximately 123 percent, influenced by the general rise in prices. The remaining 5 percent is attributed to increases in volume.

Marketing Bill Spurs Price Increases

With only a few exceptions, the growing cost of processing, wholesaling, and retailing has been the chief source of increases in consumer food expenditures over the last decade. Since 1971, consumer expenditures have risen \$170 billion, and increases in the marketing bill have accounted for 73 percent of that amount.

Higher costs for labor and fuel and power are primarily responsible for the larger marketing bill. Since 1971, fuel and power prices have climbed 496 percent because of rising demand and disruptions in supplies. This cost category has grown from 2.1 percent of the marketing bill in 1971 to 5.4 percent in 1981.

Labor costs have also risen rapidly since 1971, as wage demands have escalated with general inflation. Over the last 10 years, average hourly earnings jumped 120 percent for food-processing workers, 118 percent for food-wholesaling workers, and 134 percent for food-retailing workers. Hourly

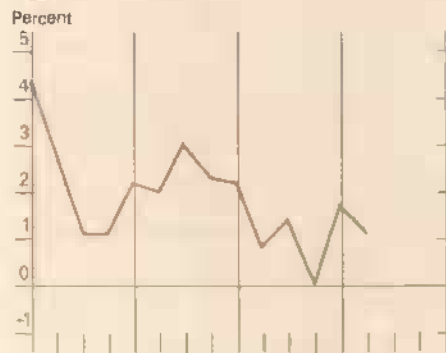
Components of the Food Marketing Bill

	1971	1978	1979	1980	1981
	\$ Bil.				
Total marketing bill	78.5	144.9	162.8	179.7	202.1
Labor ¹	34.5	65.3	73.8	80.7	90.7
Packaging	8.5	16.3	16.4	21.1	22.9
Transportation ²	6.0	10.3	11.6	12.7	14.1
(rail & truck)					
Fuel & Power	2.4	6.2	7.6	9.0	10.9
Corporate Profits	3.9	9.0	9.9	11.0	12.0
(before taxes)					
Other ³	23.2	37.8	41.5	45.2	51.5

¹ Includes supplements to wages and salaries, such as pensions and health insurance premiums. Also includes imputed earnings of proprietors, partners, and family workers not receiving stated remuneration. ² Does not include local hauling charges. ³ Includes business taxes, depreciation, rent, advertising, interest, and numerous other costs.

Food and Marketing Indicators

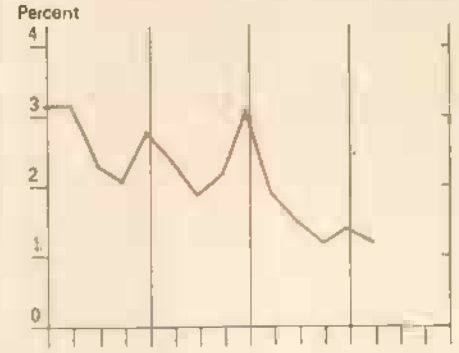
CPI: Total food^o



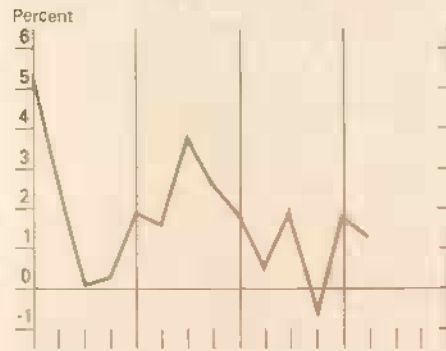
CPI: Food at home^o



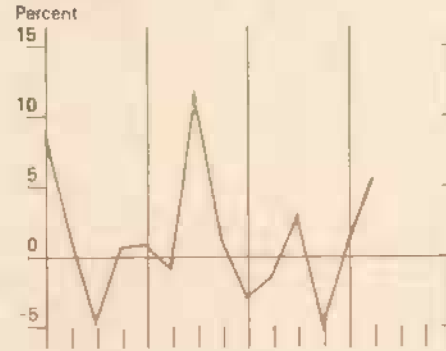
CPI: Food away from home^o



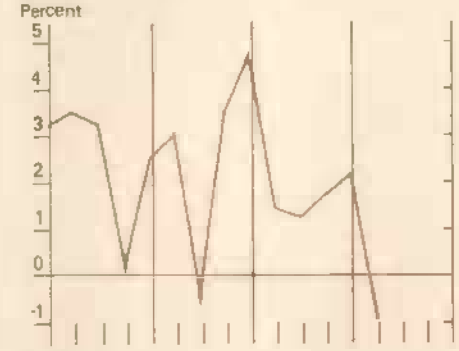
Farm food market basket, retail price



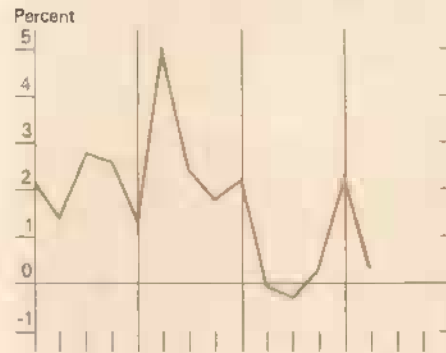
Farm value



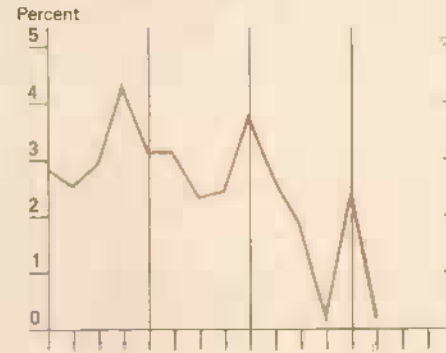
Farm to retail spread



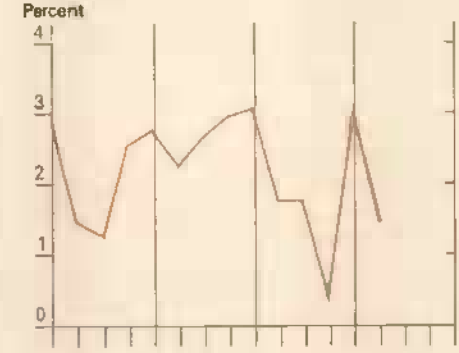
Imported food and fishery products



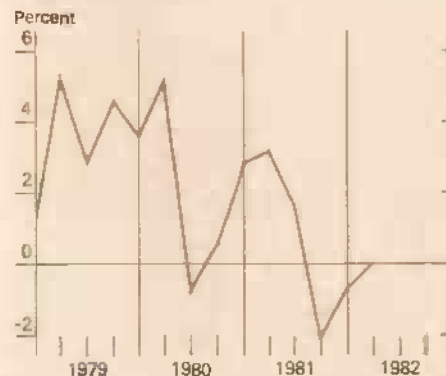
Marketing cost index



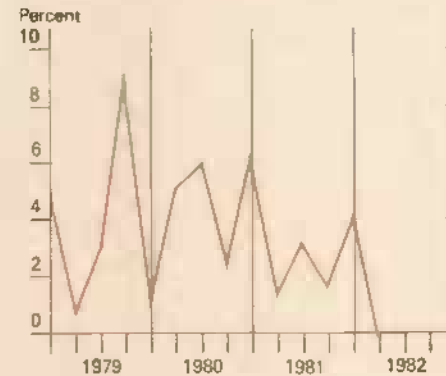
Labor cost



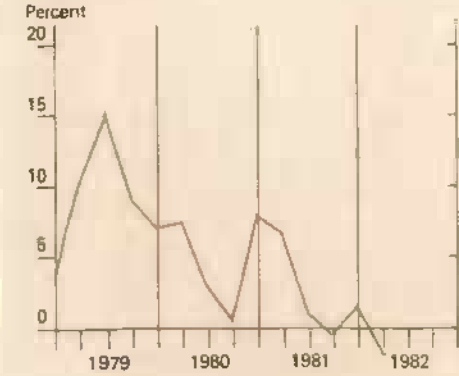
Packaging cost



Rail freight rates



Energy rates



^o CPI unadjusted.

All series expressed as percentage change from preceding quarter.

Food Expenditures, Marketing Bill, and Farm Value: At-Home and Away-from-Home Markets

	Total	For food at food stores ¹	Eating away from home
		\$bil.	
Food expenditures ²			
1971	114.6	80.7	34.0
1978	214.3	149.8	64.5
1979	241.2	170.7	70.4
1980	260.8	179.5	81.3
1981	284.5	193.7	90.7
Marketing bill			
1971	78.5	51.2	27.3
1978	144.9	93.1	51.8
1979	162.8	106.0	56.8
1980	179.7	113.5	66.2
1981	202.1	127.1	74.9
Farm value			
1971	36.2	29.6	6.6
1978	69.4	56.7	12.7
1979	78.4	64.8	13.7
1980	81.1	66.0	15.1
1981	82.4	66.6	15.8

¹Primarily purchased from retail food stores for use at home. ²Consumer expenditures for domestically produced farm foods.

wages for restaurant employees stayed close to changes in the minimum wage but still managed to rise 102 percent. Another source of increasing labor costs was the rise in the cost of supplementary wages that are not incorporated in hourly earnings. These include employer contributions to pensions, health plans and other benefits—payments which rose 286 percent since 1971, accounting for 22 percent of the rise in labor costs.

Per-Capita Consumption Remains Constant

While expenditures rose, yearly per-capita food consumption showed little change over the past 10 years. In 1971, average per-capita consumption was 1,401 pounds; in 1981, it was 1,395.

Although total per-capita consumption remained stable, the relative consumption of crops and animal products shifted. Consumption of animal products decreased over the decade, but the consumption of crop products rose. This trend, if it continues, could decrease food expenditures as people substitute relatively less expensive vegetable items for more expensive animal products.

Farm Value Highest in At-Home Market

Of consumer expenditures for domestically produced farm foods in 1981, food stores accounted for about 68 percent, public eating places 25 percent, and institutions 5 percent.

The farm value, or payment to farmers for foodstuffs, accounted for 34 percent of the \$193.7 billion spent in food stores for domestically produced food. The cost of processing, the next largest component of food store sales, accounted for 31 percent of expenditures. Between the processor and retailer, transportation and wholesaling added 6 and 9 percent, respectively. Finally, retailing charges contribute 19 percent. These shares have been relatively constant over the years, as the costs of each function have risen at similar rates. [Dave Harvey (202) 447-6860]

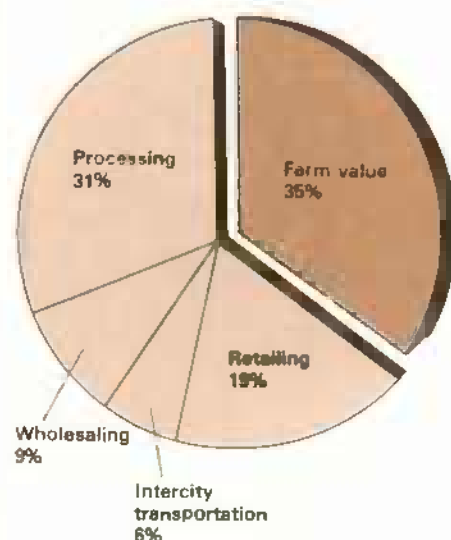
FOOD PRICE UPDATE

Retail food prices in 1982 are expected to average about 5 percent higher than last year, the smallest annual increase since 1976. This year's rise is being moderated by the small gain in the farm value of food and by a slowing of food marketing cost increases. The farm value is expected to average around 3 percent above last year's level, the third consecutive year of relatively small increases. The farm-to-retail price spread will be up about 5 percent, the smallest annual rise since 1977. Retail prices for imported foods and fish will rise about 4 percent this year.

Final third-quarter data will likely indicate that the Consumer Price Index for food rose somewhat more than the second quarter's 4.8-percent advance. Prices for pork and fresh fruit were up the most, with lower prices for fresh vegetables partly offsetting.

Retail pork prices have risen to record levels because of lower production. Retail beef and poultry prices have averaged near second-quarter levels, although they declined through the quarter. Although lower pork supplies and higher prices for pork caused consumers to shift to beef and poultry, recent declines in retail beef and poultry prices reflect an increase in their supplies since spring.

Components of the Retail Food Dollar



For domestic farm foods purchased by civilian consumers for consumption at home. 1981 data.

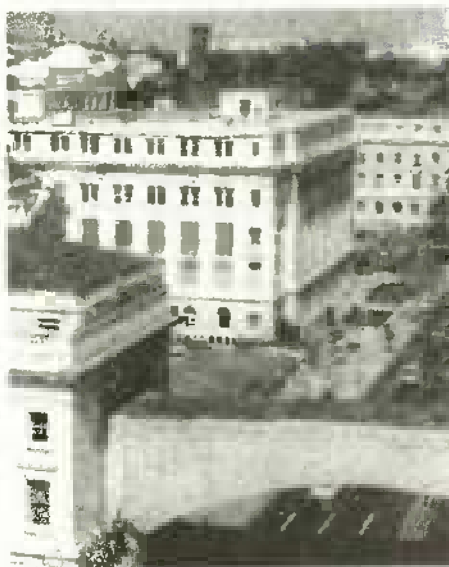
Fresh fruit prices rose over the summer as the citrus harvest slowed. Apple prices began to decline in August, reflecting the start of the new harvest season. Seasonal increases in production of most summer noncitrus fruits were limited by cold April weather in the Southeast and by crop damage from bad weather in California last spring.

In contrast, seasonal increases in vegetable production have reduced retail prices for fresh vegetables. Potato prices, in particular, have declined sharply at retail.

Retail prices for most other foods have continued to rise moderately because of higher marketing costs. Notably, dairy product prices have shown little movement as production stays large and price supports remain at last year's level. As a consequence, retail dairy prices for 1982 will show the smallest annual gain in a decade.

Seasonal increases in supplies of many foods and continued moderation in food marketing costs will dampen the fourth-quarter rise in food prices. In 1983, food prices will continue to reflect events in the general economy. As in 1982, a lower overall inflation rate will continue to hold down food marketing costs, providing a major moderating effect on 1983 food prices. As the economy improves, somewhat stronger demand may push up the farm value of foods, but the increase will be limited by this year's large grain harvests.

Per-capita consumption of food (retail weight basis) will decline slightly from 1981's level. Consumption of animal-product foods is expected to be down 1 to 2 percent, led by a sharp decline in pork use. Per-capita consumption of crop product foods will be near last year's level, with lower fruit consumption being offset by higher consumption of potatoes and corn sweeteners. [Paul Westcott (202) 447-8801]



Agricultural Policy

1983 Feed Grain Program

On September 23, the Secretary announced provisions for the 1983 feed grain program. Target prices for 1983-crop feed grains were set at \$2.86 a bushel for corn, \$2.72 for grain sorghum, \$2.60 for barley, and \$1.60 for oats. Loan rates will be \$2.65 a bushel for corn, \$2.52 for sorghum, \$2.16 for barley, \$1.36 for oats, and \$2.25 for rye. (There is no target price program for rye.)

In addition, the 1983 feed grain program will feature a combined 10-percent acreage reduction and 10-percent paid land diversion. As with the 1982 program, there will be two feed grain bases—one combining corn and sorghum and the other combining barley and oats. The 1983 bases will be the same as for the 1982 program with adjustments for crop rotation. Feed grain producers who reduce their base acreage by 20 percent will be eligible for program benefits, including price-support loans and target-price protection.

The land removed from production must be devoted to conservation uses. Land eligible for the conservation use designation must have been devoted to row crops or small grains in 2 of the last 3 years; for summer fallow farms,

however, the cropping requirement will be for only 1 of the last 2 years. Neither grazing in the six principal growing months nor mechanical harvesting will be allowed on the acreage taken out of production.

Signup for the 1983 feed grain program started October 1 and will continue through March 31, 1983. Producers who sign up may request advance 1983 diversion payments equal to 50 percent of the full rate. Diversion payment rates were set at \$1.50 a bushel for corn and sorghum (advance will be equal to 75 cents/bu), \$1.00 for barley (advance equal to 50 cents), and 75 cents for oats (advance equal to 37.5 cents). The land-diversion payment is equal to the payment rate times the farm program yield times the acres diverted (10 percent of the base).

In addition, producers who sign up may request 50 percent of their projected 1983 deficiency payments. Deficiency payments are equal to the payment rate times the farm program acreage times the farm program yield. Estimated deficiency payment rates are 21 cents a bushel for corn (10.5 cents/bu for the advance), 20 cents for sorghum (10 cents advance), and 15 cents for barley (7.5 cents advance). No deficiency payments are anticipated for 1983-crop oats.

Producers who receive advance payments and then do not comply with the program provisions will have to refund the advance and pay an interest charge equal to 5 percentage points above the effective interest rate for crop loans at the time of the advance. There will be no cross-compliance or offsetting-compliance restriction for the 1983 feed grain program.

1983 Upland Cotton Program

On September 27, the Secretary announced provisions for the 1983 upland cotton program. The 1983 target price was set at 76 cents a pound, with the loan rate set at 55 cents a pound for Strict Low Middling 1-1/16 inch cotton, micronaire 3.5 through 4.9, at average U.S. location.

Commodity Program Highlights

	Wheat	Feed Grains					Rye	Upland Cotton
		Corn	Grain Sorghum	Barley	Oats			
						\$/bu.		c/pound
1983 crop								
Target price	4.30	2.86	2.72	2.60	1.60	None		76.00
Regular loan rate . . .	3.65	2.65	2.52	2.16	1.36	2.25		55.00
						Percent		
Acreage reduction ¹ . .	15	10			10	None		20
Paid land diversion ¹ .	5	10			10	None		5
						\$/bu.		c/pound
1982 crop								
Target price	4.05	2.70	2.60	2.60	1.50	None		71.00
Regular loan rate . . .	3.55	2.55	2.42	2.08	1.31	2.17		57.08
						Percent		
Acreage reduction ¹ . .	15	10			10	None		15
Paid land diversion ¹ .	None	None			None	None		None

¹ There are two feed grain bases—one for corn and sorghum, one for barley and oats.

In addition, a 20-percent acreage-reduction program and a voluntary 5-percent paid diversion program were announced for the 1983 crop. Upland cotton producers who reduce their base acreage by 20 percent (as per the acreage-reduction program) will be eligible for program benefits, including price-support and target-price protection. There will be two bases for the 1983 program. For farmers who participated in the 1982 cotton program, their 1983 cotton base will be the same as in 1982. For farmers who did not participate in the 1982 program, their 1983 base will be their average acreage planted to cotton in 1981 and 1982. As with feed grains, the land removed must be devoted to conservation uses. The conservation use requirements are the same as those for the feed grain program (detailed above).

Farmers who participate in the 20-percent acreage-reduction program will be eligible to place up to 5 percent of their cropland in the voluntary paid diversion program and receive a diversion payment equal to 25 cents a

pound times the farm payment yield times the acres diverted. The producer will choose the level of diversion (up to 5 percent). Diverted acreage must be devoted to conservation uses.

The signup period for the 1983 upland cotton program began on October 1 and will continue through March 31, 1983. As with the feed grain and wheat programs, producers may request advance 1983 diversion and deficiency payments when they sign up. The advance diversion payment rate is 12.5 cents a pound, and the advance deficiency payment rate is 6.4 cents a pound. (The estimated total 1983 deficiency payment rate is 12.8 cents a pound). There will be no cross-compliance or offsetting-compliance restrictions for the 1983 upland cotton program.

Other Program Announcements

The Secretary also announced the payment schedule for 1982-crop deficiency payments on September 23. Eligible wheat and barley producers will receive all of their 1982-crop deficiency payments as soon as possible after December 1, 1982, while eligible corn, upland cotton, grain sorghum, and rice producers will receive 70 percent of

the anticipated payments. (No 1982-crop oats deficiency payments are anticipated.) The remainder of the 1982-crop deficiency payment will be made in early February to cotton and rice producers and after April 1 to corn and sorghum producers.

As detailed in the September *Agricultural Outlook*, wheat producers will also be eligible for advance diversion and deficiency payments for their 1983 crop if they comply with program provisions. On September 23, the advance diversion-payment rate was set at \$1.35 a bushel, and the advance deficiency-payment rate was set at 32.5 cents a bushel.

Finally, on September 23 an additional \$60 million was allocated for fiscal 1983 to the farm-storage-facility loan program, increasing the total fiscal 1983 funding for this program to \$100 million. [Richard Rizzi (202) 447-4943]

Upcoming Situation Reports

USDA's Economic Research Service will issue the following situation reports this month:

Title	Summary Released
Feed	Oct. 28
Vegetable	Oct. 29
Fruit	Nov. 3
Wheat	Nov. 9
World Crop Production*	Nov. 10
Ag Supply & Demand*	Nov. 12
Livestock & Poultry	Nov. 19
Cotton & Wool	Nov. 23

All reports are reviewed by the World Agricultural Outlook Board (WAOB). Copies of the full reports will be available a week to 10 days after the summary is released. Reports available through subscription only. For subscription information, write or call: EMS Information, Rm. 440 GHI Bldg, 500 12th St. SW, Washington, D.C. 20250 (202) 447-8590. *These reports, released by the WAOB, are issued in full on the date indicated.



Recent Publications

USDA's Economic Research Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader.

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The following reports are available **FOR SALE ONLY** from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Order by report title and number. Make checks payable to Superintendent of Documents. Prices subject to change. For further information call (202) 783-3238.

- Progress of Solar Technology and Potential Farm Uses.** AER-489. 120 pp., 1982. Price: \$5.00.
- Livestock and Meat Statistics, Supplement for 1981.** SB-522. 168 pp., 1982. Price: \$6.50.
- Farm Real Estate Market Developments.** CD-87. 32 pp., 1982. Price: \$4.50.
- The Food Service Industry: Structure, Organization, and Use of Food, Equipment, and Supplies.** SB-690. 168 pp., 1982. Price: \$6.50.
- Major Uses of Land in the United States: 1978.** (AER-487) 28 pp., 1982. Price: \$3.25.
- New Technologies to Raise Agricultural Efficiencies.** (AIB-453) 48 pp., 1982. Price: \$4.50.

New Reports—NTIS

The following reports are available **FOR SALE ONLY** from NTIS, 5282 Port Royal Road, Springfield, VA 22161. Order by report title and PB number. Indicate paper copy (PC) or microfiche (MF). For further information, call (703) 487-4650.

- Developments in Farm-to-Retail Price Spreads for Food Products in 1981.** (AER-488) 80 pp., 1982. Price: PC \$10.50; MF \$4.00. PB82-242249.
- Structure and Performance of Grocery Products Brokers.** (AER-490) 64 pp., 1982. Price: PC \$9.00; MF \$4.00. PB83-101105.
- Consortium on Trade Research: Agricultural Import Demand in Low-Income, Middle-Income, and Centrally Planned Countries.** (FAER-173) 40 pp., 1982. Price: PC \$7.50; MF \$4.00. PB82-253683.
- Federal Funds in Nonmetro Areas: Patterns and Trends.** (ERS-678) 8 pp., 1982. Price: PC \$6.00; MF \$4.00. PB82-212960.
- Women Farmers in America** (ERS-679) 4 pp., 1982. Price: PC \$6.00; MF \$4.00. PB82-203167.

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The following publications are still available free, while supplies last; to order, write directly to ERS Publications, Rm. 0054-South, USDA, Washington, D.C. 22050. Be sure to list the publication number and provide your zip code.

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- Education of Non-Metro Hispanics.** (RDRR-31)
- Coal Development in Rural America: The Resources at Risk.** (RDRR-29)
- Farmer-to-Consumer Direct Marketing, Selected States, 1979-80.** (SB-681)
- Wood and Energy in New England: A Review and Bibliography.** BLA-7.

A Survey of Recent U.S. Developments in International Agricultural Trade Model. BLA-21.

Alternative Futures for World Food in 1985—World GOL Model.

Volume 1: Analytical Report, FAER-146.

Volume 2: Supply-Distribution and Related Tables, FAER-149.

Volume 3: Structure and Equations, FAER-151.

State Reports

To order publications issued by a State, write directly to the address shown. No copies are available from the U.S. Department of Agriculture.

- California Livestock Statistics 1981.** California Crop & Livestock Reporting Service, P.O. Box 1258, 1220 N. Street, Sacramento, CA 95814
- Iowa Agricultural Statistics 1982.** Iowa Crop & Livestock Reporting Service, 210 Walnut St., Rm. 833, Des Moines, IA 50309
- Minnesota Agricultural Statistics 1982.** Minnesota Crop & Livestock Reporting Service, 90 W. Plato Blvd., St. Paul, MN 55101
- North Dakota Agricultural Statistics 1982.** North Dakota Crop & Livestock Reporting Service, P.O. Box 3166, New Federal Bldg., Rm. 345, Fargo, ND 58102
- Utah Agricultural Statistics 1982.** Utah Crop & Livestock Reporting Service, 4432 Federal Bldg., Salt Lake City, UT 84147
- California Agriculture, 1981.** California Crop & Livestock Reporting Service, P.O. Box 1258, Sacramento, CA 95806
- California Vegetable Crops Acreage, Production and Value County Acreage 1980-1981.** California Crop & Livestock Reporting Service, P.O. Box 1258, Sacramento, CA 95806
- Florida Agricultural Statistics: Poultry Summary 1981.** Florida Crop & Livestock Reporting Service, 1222 Woodward St., Orlando, FL 32803
- Statistics of Hawaiian Agriculture 1981.** Hawaiian Crop & Livestock Reporting Service, P.O. Box 22159, Honolulu, HI 96822
- 1982 Idaho Agricultural Statistics.** Idaho Crop & Livestock Reporting Service, P.O. Box 1699, Boise, ID 83701
- Index of Prices Received by Tennessee Farmers, January 1970 - December 1981.** Tennessee Crop & Livestock Reporting Service, P.O. Box 1250, Nashville, TN 37202



Managing Farm Finances in the 1980's

During much of the 1970's, farmers who borrowed heavily to expand their farms reaped large financial rewards. Today, however, such a strategy would likely result in lower returns and possible bankruptcy. Strategies of the 1970's are less applicable now because the rate of inflation has slowed, interest rates have risen, and the value of farmland has declined. To boost returns in the early 1980's, many farmers are paying more attention to risk and current cash flow than to capital gains on assets purchased through borrowing.

Financial Management Critical to Success in Farming

Successful farming depends not only on proper management of production (controlling costs, attaining favorable yields, selecting enterprises, evaluating use of crop insurance, etc.) and marketing decisions (obtaining favorable prices, determining when and where to sell products, and hedging price risks), but also on sound financial management—farm expansion plans, credit use, land rent or purchase decisions, tax planning, and exposure to financial risks. In fact, as the experience of the last decade has shown, farm financial management is at least as important as production and marketing to farmers' economic well-being.

The key variables in planning a farm financial strategy are: 1) the expected rate of return (from current income and capital gains), 2) the farm's cash flow (current cash income minus expenditures), and 3) the degree of risk (of low returns from current income, low or negative capital gains, or severe cash-flow problems).

Rates of return and cash flows are not the same thing. Farmers and farm investors receive returns from two sources: Current income from the operation of owned or leased farm assets, and capital gains from changes in the value of owned assets. Taken together, these determine the rate of return from farming. Cash flow, on the other hand, is the difference between current cash income and current cash expenditures (which include principal payments). It can be positive or negative regardless of the rate of return. The farmer's exposure to risks—poor rates of return, negative cash flows, or even forced liquidation—is largely linked to the financial management strategy the farmer adopts.

The accompanying table shows the rate of return and cash flow during 1979-81 for a hypothetical, but representative, Mississippi Delta cotton-soybean farm of 1,040 acres with two levels of debt. (The example was constructed from Census of Agriculture and cost of production data). Use of debt financing increased the rate of return to equity in 1979, was neutral in 1980, and decreased return to equity in 1981. Debt also reduces cash flow and can make it negative, as in 1981. Negative cash flows in 1980 were more than offset by capital gains, the usual situation through most of the 1970's. But with the recent decline in farmland values and lower inflation, farmers can no longer count on such an automatic adjustment.

Exposure to risk is the third important key to farm financial management. Although heavy use of debt financing can result in higher real rates of return to equity in favorable years—as in 1979—it exposes the farm to potentially severe cash-flow problems, as interest and principal payments can exceed net cash farm income. The risks are not symmetrical, however: if a farm remains debt-free, it is merely foregoing the return possible from some added investment in favorable years; but if the farm uses too much debt, it could face foreclosure or loss of assets in a bad year. The risk of foregone returns depends on the rate of return, and the risk of asset loss depends on the cash flows.

**Real Rates of Return, Cash Flows, and Risk Exposure of a Mississippi Cotton-Soybean Farm¹
with Two Levels of Debt**

		1979 Yield and prices		1980 Yield and prices		1981 Yield and prices	
		Full equity	50% equity	Full equity	50% equity	Full equity	50% equity
<i>Minus</i>	Cash income	\$310,000	\$310,000	\$250,000	\$250,000	\$260,000	\$260,000
<i>Minus</i>	Cash operating expenses	165,000	165,000	170,000	170,000	215,000	215,000
<i>Minus</i>	Interest and principal payments	0	75,000	0	103,000	0	102,000
Equals	Net cash flow	\$145,000	\$70,000	\$80,000	-\$23,000	\$45,000	-\$57,000
<i>Minus</i>	Depreciation allowance (not paid in cash)	18,000	18,000	20,000	20,000	23,000	23,000
<i>Minus</i>	Allocation for operator and family labor, management and risk	29,000	² 26,000	30,000	² 27,000	35,000	² 31,000
Equals	Return to owner's equity from current income	\$98,000	\$26,000	\$30,000	-\$70,000	-\$13,000	-\$111,000
<i>Plus</i>	Capital gains (not received in cash)	170,000	170,000	155,000	155,000	-40,000	-40,000
Equals	Total return to owner's equity	\$269,000	\$196,000	\$188,000	\$85,000	-\$53,000	-\$151,000
<i>Divided by</i>	Owner's equity	1,575,000	788,000	1,730,000	855,000	1,690,000	845,000
Equals	Rate of return to equity (percent)	17.1	24.9	10.9	9.9	-3.1	-17.9

¹ Based on a farm model that incorporates production, economic, and accounting relations for a hypothetical, but representative, farm. ² Adjusted for net investment (principal payments) paid in cash.

Financial Strategies in the 1970's...

When the rate of inflation in the economy changes, the three variables in planning a financial strategy—rate of return, cash flow, and risk—become four. Rate of return on indebted assets must be adjusted for the effects of inflation by comparing real rates of return with real interest rates.¹

¹For complete accuracy in planning, real rates of return and real interest rates would be adjusted for income taxes that would be saved.

For the farm sector as a whole, the 1970's was a period in which expansionary farm financial strategies paid off. Combined real (inflation-adjusted) returns from current income and capital gains exceeded the real interest rate, leaving a positive net return on debt-financed expansion. Cash flow, however, depends on current income (which excludes capital gains) and current expenditures (which include principal payments and interest payments at the nominal interest rate). While some farmers with substantial debts had negative cash flows in the 1970's, lenders were generally willing to refinance such farmers because their assets had risen in value and their overall rates of return were favorable.

Real Rates of Return to U.S. Farm Asset Ownership¹

	Rate of return from current income ²	plus rate of return from real capital gains ³	equals total real rate of return to debt free assets	minus real interest rate ⁴	equals net real return on indebted assets
1970 .	4.0.	-1.1	3.0	1.3	1.7
71 .	4.0	4.2	8.2	3.2	5.0
72 .	5.5	8.5	14.0	3.0	11.0
73 .	9.6	11.3	20.9	-1.8	22.7
74 .	6.0	-4.5	1.5	-3.3	4.8
1975 .	5.4	7.5	12.9	1.0	11.9
76 .	3.5	10.6	14.1	2.7	11.4
77 .	3.0	4.0	7.1	1.4	5.6
78 .	4.1	8.6	12.7	-0.7	13.4
79 .	4.4	0.9	5.3	-3.8	9.1
1980 .	2.7	-2.4	0.3	-1.3	1.6
81 .	3.3	-8.5	-5.2	2.9	-8.1

¹ Developed from data in *Economic Indicators of the Farm Sector: Income and Balance Sheet Statistics, 1981*. Referred to below as *IBSS*.

² Residual income returned to farm assets (*IBSS*, p. 120) divided by the total value of assets (*IBSS*, p. 100). ³ Real capital gains are the amount by which nominal capital gains (*IBSS*, p. 121) exceed the nominal gains that would have resulted had the value of assets increased at the same rate as the Consumer Price Index. Rate of return from real capital gains equals real capital gains divided by the total value of assets (*IBSS*, p. 100).

⁴ Nominal interest rate equals total annual interest expenses (*IBSS*, p. 11) divided by total January 1 debt (*IBSS*, p. 101). Real interest rate equals nominal rate minus the January-to-January change in the Consumer Price Index.

Note: Totals may not add because of rounding.

...And Now

At the moment, the most favorable financial strategies are much less expansionary, involve less reliance on debt financing, and avoid exposure to cash-flow shortages. Real rates of return on farm assets have declined sharply over the past 2 years, and real interest rates have risen—producing losses on indebted assets (although debt-free assets have continued to earn a normal current income). Lenders are now less willing to refinance farmers with negative cash flows because their asset values are no longer increasing. During the rest of 1982 and 1983, farmers likely will continue to face low crop prices, reduced rates of return, high real interest rates, and cash-flow problems.

Farmers and farm investors cannot quickly adjust their debts and assets when economic conditions change, nor can they easily anticipate when such a change is imminent.

Clearly, hindsight suggests that the time to switch from an expansionary to a conservative financial strategy was about 1978 or 1979, when farmers could have reduced their debts before the 1981-82 period. The time to switch back to a more expansionary strategy will be just as difficult to anticipate. Those farmers who were hesitant to make large changes in the late 1970's—and hence have little debt—may be in the best position to purchase farm assets at bargain prices when prospects start to brighten.

The Economic Environment of the 1980's

Despite the difficulties of forecasting the economic environment of the farm sector in the 1980's, some changes look relatively permanent. First, the persistent high inflation that characterized the 1970's is slowing down, implying that gains in the value of farmland will no longer come as automatically as in the 1970's. Land values may recover and start to increase again in coming years, but their growth will likely be weaker and less predictable than in the 1970's. This change would favor a more conservative financial strategy, because capital gains would be smaller and more variable.

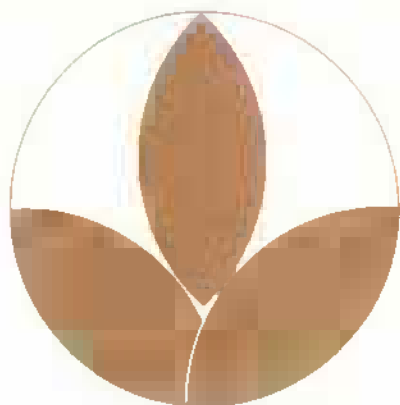
Second, at least in the early 1980's, interest rates required by savers and lenders will be higher and more volatile than during the last decade—reflecting the Federal Reserve System's decision in 1979 to control and restrict the growth of the Nation's money supply, rather than enforce bounds on interest rates. The result is that interest rates will adjust more readily to account for expected inflation, making negative real interest rates less likely in the future.

The Depository Institution Deregulation and Monetary Control Act of 1980 further altered the relationship between borrowers and lenders, especially in rural areas. Until the passage of this Act, rural credit markets remained somewhat insulated from national monetary conditions. Throughout much of the 1970's, the farm sector had access to credit at more favorable rates than did other industries. This advantage is likely to be reduced in the 1980's.

Also, U.S. farmers' increased reliance on foreign markets and, consequently, on foreign demand is likely to continue, resulting in unstable prices. Many of the international customers for U.S. farm products have centralized governmental trading or highly protectionist policies. As a result, U.S. farm prices are now subject to large changes depending on the purchasing decisions of foreign nations.

Finally, if agricultural policy relies more on markets, more of the price and income risk will return to the private sector—farmers, investors, and lenders. (David H. Harrington (202) 447-8059, Lyle P. Schertz (202) 447-8059, Kenneth H. Baum (202) 447-8059, and Ron Jeremias (202) 447-7340)

OUTLOOK '83



Outlook '83, the USDA's 59th annual Agricultural Outlook Conference, will be held in Washington, D.C., November 29-December 1. Featured sessions at Outlook '83 will cover a variety of agricultural prospects and policy viewpoints, including an assessment of U.S. and world economic conditions, overall trade policy issues and prospects, agribusiness conditions and adjustments, marketing and risk, and a variety of other Topics of key concern to the agricultural sector today.

Traditional conference sessions also will focus on the latest commodity and agricultural outlook and the outlook for families. Key research in home economics and human nutrition will be explored in several important sessions. Presentations on rural development, food prices and consumption, transportation, conservation, research and technology, and finance and credit will round out a program that will provide participants with information covering the full scope of our Nation's huge agricultural complex.

Outlook '83 is expected to attract representatives from all segments of the food and agriculture industry, academia, foreign countries, and U.S. Government. If you'd like to be among them, show up on November 2 and register in the patio of USDA's Administration Building. If you'd like to pre-register or have general questions about the conference, telephone (202) 447-3050 or write to Sally Michael, Outlook '83, WAOB, Rm. 5143-S., USDA, Washington, D.C. 20250

Jefferson
Auditorium
USDA S. Bldg.

DOE
Auditorium
Forrestal Bldg.

Room 104-A
Admin Bldg.

MONDAY— November 29

9:00-12:30
10:00-12:00

Registration (patio)
Home Economics Brunch (Hogates Waterfront Restaurant)

12:30-1:00

Conference Welcome

1:00-1:45
1:45-2:30
2:30-3:00
3:00-3:45
3:45-5:00

General Outlook
Economic Perspective
Role of Trade
Break
Trade Outlook
Agricultural Outlook

Outlook for Families
Home Economics Research
(2:00-2:45)

5:00-7:00

Reception (Patio—cash bar, complimentary hors d'oeuvres)

TUESDAY— November 30

(Agricultural Weather Assessment Demonstration: 2:30-3:30, Rm. 5140-S)

8:15-9:30
9:45-11:00

Commodity Outlook
Feed Grains
Food Grains

Commodity Outlook
Fruits & Vegetables
Sweeteners

Family Economics
Contributors to
Family Stress

11:15-12:30

Oilseeds

Weather & Climate

Commodity Outlook
Tobacco

12:00-1:15

Federal Crop Insurance Luncheon (Rm. 1329-S. Bldg.).

1:15-2:30
2:45-5:00

Dairy
Meat & Eggs

Regulation & Trade
Transportation

Cotton
Forest Products
(2:45-4:00)

WEDNESDAY— December 1

(Agricultural Weather Assessment Demonstration: 9:30-10:30, Rm. 5140-S)

8:15-9:30

Agricultural Outlook
Finance & Credit

Human Nutrition
USDA Research
Results
(8:15-11:00)

Agricultural Outlook
Conservation, Research,
& Technology

9:45-11:00

Marketing Risk

Rural Development
(9:45-12:30)

11:15-12:30

Agribusiness Situation

Agricultural Outlook
Food Prices &
Consumption

11:45-1:00

Office of International Cooperation and Development Luncheon
(Rm. 1329-S. Bldg.)

1:00-2:00

Conference Perspectives
Trade Prospects in
Centrally Planned
Countries
Trade Policy Views
Perspectives for the
Future of Trade &
Agriculture

Marketing Services

2:15-3:30
3:30-4:30

Statistical Indicators

Summary Data

Key statistical indicators of the food and fiber sector

	1981			1982					1983
	III	IV	Annual	I	II	III F	IV F	Annual F	I F
Prices received by farmers (1977=100)									
Livestock and Products	138	129	138	133	137	136	134	135	136
Crops	146	137	143	141	149	148	150	147	152
	129	121	134	123	124	122	118	122	121
Prices paid by farmers, (1977=100)									
prod. items	148	146	148	149	150	151	151	150	154
Commodities and services, Int., taxes, and wages	151	150	150	154	155	156	156	155	161
Cash receipts¹ (\$ bil.)									
Livestock (\$ bil.)	147	143	143	142	144	142-146	135-139	140-144	—
Crops (\$ bil.)	71	66	69	69	71	69-73	67-71	68-72	—
	76	77	75	74	73	71-75	69-73	71-75	—
Market basket (1967=100)									
Retail cost	260.3	258.9	257.1	263.7	267.3	270	270	268	273
Farm value	252.2	240.6	246.4	243.4	257.3	259	260	255	261
Spread	265.0	269.7	263.4	275.7	273.2	276	276	275	281
Farm value/retail cost (%)	36	34	35	34	36	36	36	36	35
Retail prices (1967=100)									
Food	277.2	277.5	274.6	282.4	285.7	290	292	288	295
At home	272.5	271.6	269.9	276.8	280.1	283	284	281	287
Away-from home	293.6	297.0	291.0	301.1	304.8	311	317	309	320
Agricultural exports (\$ bil.)²	9.0	11.3	43.8	10.5	10.0	8.7	11.3	40.5	10.5
Agricultural imports (\$ bil.)²	3.8	4.1	17.2	3.6	3.7	3.3	3.9	14.7	3.6
Livestock and products									
Total livestock and products (1974=100)	112.0	113.2	112.3	108.8	112.1	112.5	110.5	111.0	108.2
Beef (mil. lb.)	5,541	5,676	22,214	5,449	5,363	5,700	5,700	22,212	5,525
Pork (mil. lb.)	3,605	4,157	15,716	3,695	3,550	3,250	3,400	13,895	3,325
Veal (mil. lb.)	105	115	415	107	99	105	110	421	100
Lamb and mutton (mil. lb.)	79	88	327	90	85	85	92	352	95
Red meats (mil. lb.)	9,330	10,036	38,672	9,341	9,097	9,140	9,302	36,880	9,045
Broilers (mil. lb.)	3,081	2,880	11,906	2,888	3,109	3,170	2,950	12,117	2,950
Turkeys (mil. lb.)	785	773	2,509	410	528	740	770	2,448	430
Total meats and poultry (mil. lb.)	13,196	13,687	53,088	12,639	12,725	12,945	12,907	51,311	12,425
Eggs (mil. dz.) ⁴	1,432	1,450	5,800	1,450	1,451	1,422	1,440	5,766	1,450
Milk (bil. lb.)	33.1	32.0	132.6	33.0	35.5	34.2	32.3	135.0	33.2
Choice steers, Omaha (\$/cwt.)	66.53	60.17	63.84	63.36	70.46	64.50	65-69	66-68	66-70
Barrows and gilts, 7 markets (\$/cwt.)	50.42	42.63	44.45	48.17	56.46	62.00	58-62	56-58	58-62
Broilers-wholesale, N.Y., 8-16 lb. hens, dressed (cts./lb.)	47.0	42.1	46.3	44.8	45.1	44.0	40-44	43-45	44-48
Turkeys-wholesale, 9-city weighted avg., dressed (cts./lb.)	62.7	55.1	60.7	55.2	58.8	65.0	66-70	61-63	60-64
Eggs, N.Y. Gr. A large, (cts./dz.) ⁴	70.8	77.4	73.6	78.4	71.8	64.3	70-74	71-72	75-79
Milk, all at farm (\$/cwt.)	13.53	14.00	13.80	13.77	13.23	13.30-13.40	13.60-13.90	13.45-13.60	13.40-13.80
Crop prices at the farm³									
Wheat (\$/bu.)	3.63	3.81	3.70	3.72	3.57	—	—	3.40-3.60	—
Corn (\$/bu.)	2.85	2.39	2.50	2.48	2.57	—	—	2.30-2.50	—
Soybeans (\$/bu.)	6.68	6.03	6.05	6.05	6.19	—	—	5.25-6.00	—
Upland cotton (cts./lb.)	64.5	57.9	—	49.5	54.2	—	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year.

³ Quarterly prices are simple averages, annual prices are for marketing year beginning in year indicated. ⁴ Marketing year quarters beginning December 1. F = Forecast.

Farm Income

Gross and net farm income

	Annual									
	1972	1973	1974	1975	1976	1977r	1978r	1979r	1980	1981
	\$ bil.									
Cash receipts from farm marketings	61.1	86.9	92.4	88.9	95.4	96.2	112.5	131.7	139.5	143.5
Livestock and products	35.6	45.8	41.3	43.1	46.3	47.6	58.8	68.6	67.8	68.5
Meat animals	23.9	30.3	25.2	25.8	27.2	27.9	37.3	43.9	40.9	39.1
Dairy products	7.1	8.1	9.5	9.9	11.4	11.8	12.5	14.7	16.6	18.1
Poultry and eggs	4.2	6.9	6.2	6.8	7.2	7.2	8.1	8.9	9.2	9.9
Other	0.4	0.5	0.5	0.5	0.6	0.8	0.9	1.1	1.2	1.3
Crops	25.5	41.1	51.1	45.8	49.0	48.6	53.7	63.1	71.7	75.0
Food grains	3.5	7.2	8.6	8.2	7.1	6.1	5.8	9.0	10.4	12.4
Feed crops	5.9	10.6	13.9	12.2	13.1	11.9	11.4	14.0	18.3	18.3
Cotton (lint and seed)	1.8	2.8	2.9	2.3	3.5	3.5	3.5	4.3	4.5	4.6
Tobacco	1.4	1.6	2.1	2.2	2.3	2.3	2.6	2.3	2.7	3.3
Oil-bearing crops	4.4	7.6	10.0	7.5	9.4	9.7	13.0	14.3	15.5	14.1
Vegetables and melons	3.3	4.4	5.3	5.3	5.2	5.6	5.9	6.5	7.0	8.4
Fruits and tree nuts	2.6	3.4	3.4	3.6	3.7	4.6	5.8	6.5	6.6	6.5
Other	2.6	3.6	4.8	4.6	4.6	4.9	5.6	6.2	6.9	7.5
Net change in farm inventories	0.9	3.4	-1.6	3.4	-2.4	1.0	1.1	5.6	-4.3	5.5
Nonmoney and other farm income ¹	9.1	8.5	7.3	8.7	9.0	11.4	13.7	14.0	15.4	17.8
Gross farm income	71.0	98.8	98.0	101.0	102.0	108.6	127.2	151.3	150.6	166.8
Farm production expenses	52.1	65.4	72.0	75.8	83.3	90.2	100.6	119.0	130.5	141.6
Net farm income										
Current prices	18.9	33.4	26.0	25.2	18.7	18.4	26.7	32.3	20.1	25.1
1972 prices ²	18.9	31.6	22.6	20.1	14.1	13.2	17.7	19.8	11.3	12.8

¹ Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreations, machine hire, and custom work. ² Deflated by the Gross national product implicit price deflator, 1972=100. ³ Less than \$.05 bil. Totals may not add due to rounding. p = preliminary, r = revised.

Cash receipts from farming

	1981						1982						
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Farm marketings and CCC loans ¹	11,671	11,484	13,318	16,478	15,472	13,153	14,342	10,503	10,376	10,656	10,068	11,438	11,932
Livestock and products	5,637	5,579	6,030	6,137	5,736	5,391	5,294	5,168	5,774	6,681	5,939	5,828	5,592
Meat animals	3,082	3,137	3,562	3,581	3,271	3,013	2,970	3,056	3,382	4,150	3,506	3,390	3,259
Dairy products	1,505	1,490	1,455	1,487	1,448	1,511	1,476	1,357	1,554	1,628	1,674	1,593	1,461
Poultry and eggs	858	872	842	843	925	790	759	695	764	820	681	764	683
Other	192	80	171	226	92	77	89	60	74	83	78	81	190
Crops	6,034	5,905	7,288	10,341	9,736	7,762	9,048	5,335	4,602	3,975	4,129	5,610	6,340
Food grains	2,025	1,418	1,547	1,458	852	700	995	665	532	495	578	1,662	1,938
Feed crops	1,183	1,171	1,308	2,212	2,752	2,013	3,420	1,592	1,322	1,091	1,063	1,414	1,521
Cotton (lint and seed)	41	161	113	726	1,177	929	1,125	547	205	130	123	110	108
Tobacco	232	561	696	345	341	691	453	67	10	33	5	0	127
Oil-bearing crops	698	839	1,350	3,257	1,799	1,114	1,573	931	880	690	719	745	696
Vegetables and melons	782	811	996	907	587	513	661	506	501	572	728	773	772
Fruits and tree nuts	638	542	682	787	838	830	343	566	557	258	353	517	721
Other	435	402	596	649	1,390	972	479	461	594	706	560	388	457
Government payments	55	108	118	90	149	668	59	507	74	317	23	30	21
Total cash receipts ²	11,726	11,592	13,436	16,568	15,621	13,821	14,401	11,010	10,450	10,973	10,091	11,468	11,953

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm Production¹

Item	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982 ²
1977=100										
Farm output	93	88	95	97	100	104	111	103	116	115
All livestock products ³	99	100	95	99	100	100	104	108	108	106
Meat animals	102	104	97	100	100	100	103	107	106	101
Dairy products	94	94	94	98	100	99	101	105	108	110
Poultry and eggs	94	94	92	98	100	106	114	115	119	119
All crops ⁴	92	84	93	92	100	102	113	101	117	117
Feed grains	91	74	91	96	100	108	116	97	121	123
Hay and forage	101	96	100	94	100	106	108	98	106	111
Food grains	86	91	108	107	100	93	108	121	144	140
Sugar crops	95	89	114	112	100	101	94	97	111	97
Cotton	91	82	58	74	100	76	102	79	110	77
Tobacco	91	104	114	112	100	106	80	93	107	101
Oil crops	87	71	86	74	100	105	129	99	115	127
Cropland used for crops	93	96	97	98	100	97	100	102	103	102
Crop production per acre	99	88	96	94	100	105	113	99	114	115

¹ For historical data and indexes, see *Changes in Farm Production and Efficiency* USDA Statistical Bulletin 657. ² Preliminary indexes for 1982 based on Sept. 1982 Crop Production report and other releases of the *Crop Reporting Board*, SRS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross production to compute farm output.

Cash receipts¹ from farm marketings, by States, January-July

State	Livestock and Products		Crops ²		Total ²	
	1981	1982	1981	1982	1981	1982
	\$Mil.					
North Atlantic						
Maine	144.8	139.5	134.2	114.3	279.0	253.9
New Hampshire	40.9	40.1	15.2	15.7	56.1	55.8
Vermont	212.9	210.2	21.6	21.1	234.6	231.3
Massachusetts	77.6	79.6	65.7	65.8	143.2	145.4
Rhode Island	8.3	7.7	9.3	9.6	17.6	17.3
Connecticut	104.9	107.4	83.0	76.9	187.9	184.3
New York	1,102.4	1,088.1	402.3	395.8	1,504.7	1,483.9
New Jersey	61.1	61.1	179.2	183.4	240.3	244.5
Pennsylvania	1,221.6	1,247.0	404.6	435.5	1,626.3	1,682.5
North Central						
Ohio	825.8	844.9	1,070.7	973.1	1,896.5	1,818.0
Indiana	988.3	1,033.9	1,230.7	1,279.2	2,219.0	2,313.1
Illinois	1,316.1	1,400.5	3,091.1	3,585.2	4,407.2	4,985.7
Michigan	842.6	651.8	741.6	877.0	1,384.2	1,528.8
Wisconsin	2,473.2	2,260.9	482.1	578.3	2,955.3	2,839.1
Minnesota	1,966.6	1,997.0	1,537.3	1,879.3	3,504.0	3,876.3
Iowa	3,189.5	3,377.2	2,746.8	3,197.3	5,936.2	6,574.6
Missouri	1,399.3	1,409.2	853.7	894.8	2,253.1	2,304.0
North Dakota	351.1	328.4	847.8	1,124.6	1,198.8	1,453.0
South Dakota	1,147.8	1,095.5	390.7	493.3	1,538.5	1,588.8
Nebraska	1,885.9	2,471.2	1,377.1	1,925.2	3,263.0	4,396.5
Kansas	2,083.8	2,104.9	1,196.5	1,466.8	3,280.2	3,571.7
Southern						
Delaware	156.6	159.9	35.2	36.9	191.7	196.8
Maryland	399.4	402.0	160.5	164.7	559.9	566.7
Virginia	504.0	500.4	210.0	250.7	714.0	751.1
West Virginia	87.5	90.8	21.4	22.0	108.9	112.7
North Carolina	909.0	890.8	679.5	615.0	1,588.4	1,505.7
South Carolina	238.9	242.1	268.8	266.7	507.8	508.8
Georgia	1,035.1	994.0	479.7	516.6	1,514.8	1,510.6
Florida	579.0	569.2	2,142.6	2,414.3	2,721.7	2,983.5
Kentucky	716.8	704.7	487.3	720.1	1,204.0	1,424.8
Tennessee	472.5	457.5	292.7	364.4	765.2	822.0
Alabama	775.6	718.6	281.5	331.7	1,057.1	1,050.3
Mississippi	511.1	483.6	412.6	492.0	923.7	975.5
Arkansas	920.7	828.1	633.9	778.3	1,554.8	1,606.4
Louisiana	262.0	248.1	402.4	394.1	664.3	642.2
Oklahoma	1,050.6	1,025.8	557.9	742.9	1,608.5	1,768.7
Texas	3,052.2	3,377.8	2,186.0	2,607.6	5,238.2	5,985.3
Western						
Montana	325.1	316.8	369.3	461.3	694.5	778.1
Idaho	535.0	538.4	564.7	521.5	1,099.7	1,059.9
Wyoming	225.3	218.9	42.0	38.5	267.3	257.4
Colorado	1,150.2	1,184.3	461.5	461.1	1,611.6	1,645.4
New Mexico	288.6	283.5	115.4	146.3	404.0	429.8
Arizona	472.0	483.5	591.6	660.0	1,063.6	1,143.5
Utah	224.4	216.3	66.8	66.0	291.2	282.2
Nevada	75.9	73.8	45.5	43.1	121.5	116.9
Washington	509.0	487.2	821.3	934.4	1,330.2	1,421.6
Oregon	326.5	316.0	491.0	518.9	817.6	834.9
California	2,506.8	2,454.9	4,024.3	4,533.8	6,531.2	6,988.7
Alaska	2.8	2.8	2.7	2.7	5.5	5.5
Hawaii	53.0	51.3	221.7	342.3	274.7	393.6
United States	39,610.1	40,277.2	33,951.2	39,040.1	73,561.3	79,317.1

¹Estimates as of the first of current month. ²Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1981			1982			
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
1977=100										
Prices Received										
All farm products	132	134	138	133	135	139	137	136	133	136
All crops	116	125	134	120	123	125	125	124	119	125
Food grains	147	165	166	155	152	150	141	136	137	138
Feed grains and hay	114	132	141	124	128	132	128	122	115	110
Feed grains	117	135	145	127	128	131	129	123	115	109
Cotton	96	114	111	96	88	90	91	95	186	91
Tobacco	118	125	140	149	151	151	152	144	157	161
Oil-bearing crops	103	102	110	96	93	95	93	91	86	81
Fruit	144	124	129	127	145	157	166	192	188	296
Fresh market ¹	151	128	131	127	149	164	175	205	200	333
Commercial vegetables	110	113	136	119	127	121	128	121	108	102
Fresh market	109	110	135	112	123	112	116	112	96	88
Potatoes ²	92	129	179	130	133	152	184	180	161	108
Livestock and products	147	144	143	145	147	151	149	148	147	147
Meat animals	166	156	150	155	159	168	166	162	163	160
Dairy products	124	135	142	141	138	136	135	136	136	139
Poultry and eggs	111	112	116	115	112	108	107	111	104	111
Prices paid										
Commodities and services										
Interest, taxes, and wage rates	123	138	150	151	155	155	156	156	156	156
Production items	125	138	148	148	150	150	151	151	151	150
Feed	110	123	134	126	125	128	126	123	120	117
Feeder livestock	185	177	164	168	168	169	166	168	171	166
Seed	110	118	138	144	140	140	140	140	140	141
Fertilizer	108	134	144	147	147	146	146	146	146	146
Agricultural chemicals	96	102	111	113	119	121	121	121	121	121
Fuels & energy	137	188	213	214	198	200	210	212	211	211
Farm & motor supplies	115	134	147	149	152	152	152	153	154	154
Autos & trucks	117	123	143	145	156	159	159	159	160	160
Tractors & self-propelled machinery	122	136	152	159	161	161	167	167	167	168
Other machinery	119	132	146	152	156	156	162	162	162	165
Building & fencing	118	128	134	135	134	134	135	135	136	136
Farm services & cash rent	117	127	137	137	147	147	147	147	147	147
Interest payable per acre on farm real estate debt	141	168	195	195	218	218	218	218	218	218
Taxes payable per acre on farm real estate	107	117	124	124	132	132	132	132	132	132
Wage rates (seasonally adjusted)	117	127	136	135	148	148	136	136	136	136
Production items, interest, taxes, and wage rates	125	139	150	150	154	155	155	155	154	154
Prices received (1910-14=100)	802	614	633	608	616	633	628	622	609	623
Prices paid, etc. (Parity index) (1910-14=100)	850	950	1,031	1,040	1,066	1,071	1,073	1,077	1,077	1,075
Parity ratio ³	71	65	61	58	58	59	58	58	57	58

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates, (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual ^a			1981						
	1979	1980	1981	Sept	Apr	May	June	July	Aug	Sept
Crops										
All wheat (\$/bu.)	3.51	3.88	3.88	3.65	3.68	3.64	3.39	3.26	3.34	3.38
Rice, rough (\$/cwt.)	9.05	11.07	11.94	10.70	8.54	8.55	8.54	8.25	7.19	7.32
Corn (\$/bu.)	2.36	2.70	2.92	2.55	2.55	2.60	2.57	2.50	2.30	2.17
Sorghum (\$/cwt.)	3.91	4.68	4.72	4.07	4.10	4.35	4.17	3.96	3.95	3.85
All hay, baled (\$/ton)	56.30	67.00	67.76	62.70	73.40	78.80	70.90	66.60	65.00	64.80
Soybeans (\$/bu.)	6.86	6.75	6.92	6.21	6.17	6.27	6.12	5.99	5.59	5.28
Cotton, Upland (cts./lb.)	58.0	69.0	66.9	58.0	53.5	54.2	54.9	57.6	52.1	55.3
Potatoes (\$/cwt.)	3.16	4.78	7.02	4.84	5.28	6.26	8.01	7.93	7.00	4.62
Dry edible beans (\$/cwt.)	19.60	24.80	28.60	22.90	18.00	19.20	17.50	16.10	16.60	12.70
Apples for fresh use (cts./lb.)	14.2	17.1	13.6	17.0	16.0	16.0	17.6	16.7	13.3	17.5
Pears for fresh use (\$/ton)	276	325	263	187	300	335	—	—	243	197
Oranges, all uses (\$/box) ¹	3.34	3.26	3.75	3.35	4.98	5.98	6.95	9.47	8.54	17.47
Grapefruit, all uses (\$/box) ¹	2.97	2.73	3.44	5.69	2.01	2.02	1.23	3.27	2.22	2.84
Livestock										
Beef cattle (\$/cwt.)	66.30	62.50	60.80	58.80	60.10	62.60	61.10	58.70	58.10	55.80
Calves (\$/cwt.)	89.70	77.50	64.00	61.40	62.30	64.20	61.90	60.60	61.90	60.00
Hogs (\$/cwt.)	41.30	38.90	43.40	48.60	51.20	56.80	57.60	57.90	61.30	61.80
Lambs (\$/cwt.)	67.10	63.50	54.90	50.40	61.50	63.50	57.80	55.90	52.90	51.90
All milk, sold to plants (\$/cwt.)	12.00	13.10	13.80	13.70	13.40	13.20	13.10	13.20	13.20	13.50
Milk, manuf. grade (\$/cwt.)	11.10	12.00	12.75	12.60	12.60	12.50	12.40	12.30	12.30	12.50
Broilers (cts./lb.)	25.9	27.7	28.1	26.3	26.2	28.0	28.6	28.6	26.3	27.1
Eggs (cts./doz.) ²	58.1	56.7	62.3	64.8	63.0	54.8	51.6	55.2	50.7	56.8
Turkeys (cts./lb.)	41.9	40.0	38.4	37.9	33.9	34.6	37.7	40.0	40.1	41.8
Wool (cts./lb.) ³	86.3	88.1	94.7	84.3	89.1	88.5	79.6	74.5	68.3	66.7

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1981		1982						
	1981	Aug	Jan	Feb	Mar	Apr	May	June	July	Aug
1967=100										
Consumer price index, all items	272.4	276.5	282.5	283.4	283.1	284.3	287.1	290.6	292.2	292.8
Consumer price index, less food	270.6	274.9	281.4	282.1	281.7	282.9	286.0	289.7	291.5	292.5
All food	274.6	277.4	281.0	283.3	283.0	283.9	285.5	287.8	288.5	287.4
Food away from home	291.0	293.7	299.8	301.2	302.4	303.6	304.8	305.9	307.6	308.7
Food at home	269.9	272.8	275.3	278.0	277.1	277.9	279.8	282.6	282.8	280.8
Meats ¹	257.8	262.0	257.8	260.2	261.2	263.6	269.7	277.2	278.8	276.5
Beef and veal	272.6	275.9	269.4	271.5	271.7	274.8	281.1	288.2	286.7	280.5
Pork	228.6	235.3	234.7	238.9	239.5	241.6	249.9	259.5	265.4	268.2
Poultry	198.6	202.0	194.2	195.7	194.7	193.3	196.0	197.5	199.6	196.2
Fish	357.7	356.8	373.3	373.8	376.3	382.0	366.3	365.2	370.2	367.6
Eggs	183.8	177.6	189.4	205.1	195.2	186.9	172.3	162.5	173.6	161.2
Dairy products ²	243.6	243.8	245.8	246.5	246.5	247.5	247.0	246.3	247.5	247.5
Fats and oils ³	267.1	269.2	261.6	260.5	259.6	260.4	260.6	260.7	259.3	258.3
Fruits and vegetables	276.3	286.1	294.7	301.5	293.1	294.0	297.9	305.6	299.7	291.4
Fresh	282.9	295.8	308.0	319.6	302.1	304.1	311.7	325.9	313.8	296.9
Processed	271.5	277.9	282.7	284.2	285.8	285.5	285.4	285.9	286.8	288.0
Cereals and bakery products	271.1	149.5	279.8	280.9	281.3	281.7	283.3	283.6	284.3	284.8
Sugar and sweets	368.3	361.3	361.6	364.2	365.5	365.3	365.7	366.8	369.5	370.1
Beverages, nonalcoholic	412.6	413.1	418.7	423.4	424.8	424.1	425.6	424.8	422.8	423.8
Apparel commodities less footwear	174.0	174.3	172.8	173.4	176.8	177.4	176.7	175.6	174.0	176.9
Footwear	200.4	200.0	202.8	202.8	204.9	205.6	206.5	206.6	206.4	204.4
Tobacco products	218.9	219.9	227.1	230.7	234.1	235.1	237.4	237.8	239.2	240.1
Beverages, alcoholic	199.5	201.4	204.0	205.6	206.6	207.4	208.0	208.4	209.2	210.1

¹ Beef, veal, lamb, pork, and Processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1981		1982				
	1979	1980	1981 p	Aug	Mar	Apr	May	June	July	Aug
	1967=100									
Finished goods¹	216.1	247.0	269.8	271.5	277.3	277.3	277.7	279.9	281.7	282.4
Consumer foods	226.3	239.5	253.5	256.3	257.1	260.0	262.3	263.4	260.7	259.8
Fresh fruit	232.6	237.6	228.4	222.2	230.0	243.2	244.7	221.1	215.4	247.6
Fresh and dried vegetables	201.0	219.0	278.0	267.1	257.7	265.2	270.9	278.4	237.3	208.9
Eggs	176.5	171.0	187.1	180.7	204.0	192.1	164.3	159.3	171.7	171.7
Bakery products	221.7	247.8	268.4	270.2	275.4	275.6	275.6	275.0	276.0	276.2
Meats	240.6	235.9	239.0	249.2	241.4	250.3	267.1	266.4	260.9	256.2
Beef and veal	252.2	260.2	246.9	252.2	249.5	256.5	267.1	267.4	253.7	244.7
Pork	205.0	196.7	218.1	234.7	222.5	237.5	251.8	257.0	264.3	265.7
Poultry	188.6	193.3	193.3	202.6	178.4	175.8	179.7	186.7	188.1	182.1
Fish	383.8	370.9	377.9	366.8	416.6	423.4	419.3	423.7	413.2	420.6
Dairy products	211.2	230.6	245.7	245.3	248.0	248.4	248.5	248.7	248.8	249.0
Processed fruits and vegetables	221.9	228.7	261.1	267.3	275.7	274.5	273.4	275.4	275.9	274.9
Vegetable oil and products	223.5	233.2	238.2	237.6	233.9	236.7	238.5	238.8	238.9	235.9
Consumer finished goods less foods	208.2	250.8	276.3	277.7	284.0	282.3	281.6	284.6	288.7	290.1
Beverages, alcoholic	161.4	175.8	189.3	191.7	195.1	196.5	197.4	198.0	197.8	198.6
Soft drinks	277.1	261.0	303.6	307.9	317.5	319.2	319.8	318.3	319.4	320.6
Apparel	160.4	172.4	185.5	187.8	191.7	192.2	192.7	193.0	193.1	193.5
Footwear	218.0	233.1	241.2	242.5	240.6	243.7	242.5	243.8	241.7	247.3
Tobacco products	217.7	245.7	268.3	268.8	306.4	308.5	306.7	306.7	311.3	311.3
Intermediate materials²	242.8	280.3	306.0	310.1	310.6	310.1	309.8	310.0	311.4	311.0
Materials for food manufacturing	223.6	264.4	260.9	261.0	252.0	254.4	260.0	260.9	260.0	258.3
Flour	172.0	187.6	191.8	189.4	188.0	186.6	184.6	184.3	183.0	178.1
Refined sugar ⁴	119.3	212.9	173.5	161.9	154.2	153.9	161.6	161.7	165.2	169.9
Crude vegetable oils	243.7	202.8	185.4	185.9	157.9	166.6	170.3	168.1	168.0	156.3
Crude materials⁵	282.2	304.6	329.1	333.0	320.0	322.6	328.1	325.7	323.4	320.5
Foodstuffs and feedstuffs	247.2	259.2	257.4	261.8	247.9	254.4	262.3	259.8	255.5	250.7
Fruits and vegetables ⁶	299.0	238.6	267.0	258.1	256.4	266.7	270.7	263.8	238.4	237.7
Grains	214.8	239.0	248.4	242.7	220.9	226.0	228.2	225.7	212.8	197.2
Livestock	260.3	252.7	248.0	262.0	255.6	267.6	282.9	277.5	270.3	268.4
Poultry, live	194.3	202.1	201.2	210.3	197.7	186.2	192.7	207.2	212.5	189.3
Fibers, plant and animal	209.9	271.1	242.0	232.5	199.5	207.4	214.1	203.1	220.8	207.5
Milk	250.1	271.2	287.4	285.0	282.5	280.3	278.8	278.9	279.0	278.8
Oilseeds	245.5	249.2	277.6	289.7	214.1	225.3	229.4	225.4	224.0	224.1
Coffee, green	416.2	430.3	330.1	286.9	309.9	319.6	319.6	319.6	319.6	308.9
Tobacco, leaf	207.7	222.2	n.a.	254.7	267.2	265.6	265.6	266.5	253.1	275.9
Sugar, raw cane	209.8	413.0	272.7	253.9	232.3	242.2	268.5	285.9	314.5	323.0
All commodities	235.6	268.8	293.4	296.4	298.0	298.0	298.6	299.4	300.6	300.4
Industrial commodities	236.5	274.8	304.1	307.2	311.0	309.9	309.5	310.7	313.0	313.4
All foods⁷	266.3	244.5	251.9	253.7	251.5	254.4	257.9	259.0	256.8	255.9
Farm products and processed foods and feeds	229.8	244.7	251.5	254.2	247.5	251.6	255.6	255.3	252.5	250.1
Farm products	241.4	249.4	254.9	257.9	244.7	250.6	256.1	252.7	246.5	242.0
Processed foods and feeds	222.5	241.2	248.7	251.2	248.1	251.1	254.4	255.8	254.8	253.6
Cereal and bakery products	210.3	236.0	255.5	257.7	254.2	253.5	253.9	253.3	253.6	253.2
Sugar and confectionery	214.7	322.5	276.8	267.3	255.0	256.0	265.8	269.5	276.1	286.0
Beverages	210.7	233.0	247.5	249.4	256.4	256.6	256.7	256.5	256.7	257.3

¹ Commodities ready for sale to ultimate consumer. ² Consumer size packages, Dec. 1977=100. ³ Commodities requiring further processing to become finished goods. ⁴ For use in food manufacturing. ⁵ Products entering market for the first time which have not been manufactured at that point. ⁶ Fresh and dried. ⁷ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

Note: Annual historical data on consumer and producer food price indexes may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1981		1982				
	1979	1980	1981 p	Aug	Mar	Apr	May	June	July	Aug
Market basket¹:										
Retail cost (1967=100)	222.7	238.8	257.1	260.6	263.8	264.5	267.1	270.3	270.7	268.4
Farm value (1967=100)	227.3	239.8	246.4	250.7	246.9	250.7	256.5	264.8	259.5	249.7
Farm-retail spread (1967=100)	220.0	238.3	263.4	266.2	273.7	272.7	273.3	273.6	277.2	279.4
Farm value/retail cost (%)	37.8	37.2	35.5	35.6	34.7	35.1	35.6	36.3	35.5	34.4
Meat products:										
Retail cost (1967=100)	241.9	248.8	257.8	262.0	261.2	263.6	269.7	277.2	278.8	276.5
Farm value (1967=100)	234.6	234.0	235.6	249.2	242.7	252.5	268.1	280.5	268.8	262.4
Farm-retail spread (1967=100)	250.4	266.1	284.0	277.0	282.8	276.6	271.5	273.3	290.5	293.0
Farm value/retail cost (%)	52.3	50.7	49.3	51.3	50.1	51.7	53.6	54.6	52.0	51.2
Dairy products:										
Retail cost (1967=100)	207.0	227.4	243.6	243.8	246.5	247.5	247.0	246.3	247.5	247.5
Farm value (1967=100)	229.8	251.1	265.9	266.4	261.6	259.4	259.7	259.1	259.2	260.4
Farm-retail spread (1967=100)	187.1	206.6	224.1	223.9	233.3	237.1	235.8	235.1	237.3	235.9
Farm value/retail cost (%)	51.9	51.6	51.0	51.1	49.6	49.0	49.2	49.2	49.0	49.2
Poultry:										
Retail cost (1967=100)	181.5	190.8	198.6	202.0	194.7	193.3	196.0	197.5	199.6	196.2
Farm value (1967=100)	203.8	211.9	210.2	215.2	195.6	193.2	204.3	211.9	215.3	202.8
Farm-retail spread (1967=100)	160.0	170.3	187.4	189.2	193.9	193.4	187.9	178.6	184.5	189.8
Farm value/retail cost (%)	55.2	54.6	52.0	52.4	49.4	49.2	51.3	53.4	53.0	50.8
Eggs:										
Retail cost (1967=100)	172.8	169.7	183.8	177.6	195.2	186.9	172.3	162.5	173.6	161.2
Farm value (1967=100)	194.2	184.3	206.5	194.5	225.8	208.1	176.0	162.8	177.1	168.3
Farm-retail spread (1967=100)	142.0	148.6	150.9	153.3	150.9	156.3	166.9	162.0	168.5	165.4
Farm value/retail cost (%)	66.4	64.2	66.4	64.7	68.4	65.8	60.4	59.2	60.3	58.0
Cereal and bakery products:										
Retail cost (1967=100)	220.2	246.4	271.1	272.6	281.3	281.7	283.3	283.6	284.3	284.8
Farm value (1967=100)	189.9	221.4	217.7	210.3	202.8	202.7	202.2	198.0	195.0	190.1
Farm-retail spread (1967=100)	226.3	251.6	282.1	285.5	297.5	298.1	300.1	301.3	302.8	304.4
Farm value/retail cost (%)	14.8	15.4	13.8	13.2	12.4	12.3	12.2	12.0	11.8	11.4
Fresh fruits:										
Retail cost (1967=100)	258.5	271.8	286.1	321.4	307.9	317.3	332.6	357.6	351.4	357.4
Farm value (1967=100)	237.6	245.0	251.6	266.0	343.0	323.2	349.8	384.4	386.1	294.2
Farm-retail spread (1967=100)	267.9	283.8	301.6	346.3	292.1	314.6	324.9	345.5	335.8	390.8
Farm value/retail cost (%)	28.5	27.9	27.2	25.6	34.5	32.0	32.6	33.3	34.0	25.2
Fresh vegetables:										
Retail costs (1967=100)	222.5	242.2	287.4	285.5	306.1	301.8	305.1	311.9	296.4	260.2
Farm value (1967=100)	204.3	216.1	279.9	283.7	276.6	316.6	279.1	321.2	299.7	265.7
Farm-retail spread (1967=100)	231.1	254.5	290.9	286.4	320.0	294.8	317.3	307.5	294.9	257.6
Farm value/retail cost (%)	29.4	28.5	31.2	31.8	28.9	33.6	29.2	32.9	32.3	32.0
Processed fruits and vegetables:										
Retail cost (1967=100)	226.6	242.5	271.5	277.9	285.8	285.5	285.4	285.9	286.8	288.0
Farm value (1967=100)	235.3	243.5	288.7	294.0	277.0	270.7	274.6	274.1	272.3	271.1
Farm-retail spread (1967=100)	224.7	242.2	267.7	274.3	287.8	288.8	287.7	288.5	290.0	291.7
Farm value/retail cost (%)	18.8	18.2	19.3	19.2	17.6	17.2	17.4	17.4	17.2	17.1
Fats and oils:										
Retail cost (1967=100)	226.3	241.2	267.1	269.2	259.6	260.4	260.6	260.7	259.3	258.3
Farm value (1967=100)	278.0	250.3	261.3	239.0	212.3	219.9	223.7	219.4	225.8	203.3
Farm-retail spread (1967=100)	206.4	237.7	269.4	280.8	277.8	276.0	274.8	281.7	272.2	279.5
Farm value/retail cost (%)	34.1	28.8	27.2	24.7	22.7	23.5	23.8	23.0	24.2	21.9

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in *Food Consumption, Prices and Expenditures*, Statistical Bulletin 672, ERS, USDA.

Farm-retail price spreads

	Annual			1981	1982					
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug
Beef, Choice:										
Retail price ¹ (cts./lb.)	226.3	237.6	238.7	242.7	237.0	240.4	246.5	254.6	251.8	246.9
Net carcass value ² (cts.)	150.5	155.4	149.3	154.1	154.6	162.2	169.9	164.4	152.6	150.2
Net farm value ³ (cts.)	140.8	145.0	138.5	142.9	144.9	151.6	159.7	154.4	143.4	141.4
Farm-retail spread (cts.)	85.5	92.6	100.2	99.8	92.1	88.6	86.8	100.2	108.4	105.5
Carcass-retail spread ⁴ (cts.)	75.8	82.2	89.4	88.6	82.4	78.2	76.6	90.2	99.2	96.7
Farm-carcass spread ⁵ (cts.)	9.7	10.4	10.8	11.2	9.7	10.4	10.2	10.0	9.2	8.8
Farm value/retail price (%)	62	61	58	59	61	63	65	61	57	57
Pork:										
Retail price ¹ (cts./lb.)	144.1	139.4	152.4	158.1	161.4	163.0	169.6	175.4	181.1	183.5
Wholesale value ² (cts.)	100.4	98.0	106.7	113.6	110.4	114.0	122.1	125.1	129.3	132.8
Net farm value ³ (cts.)	66.6	63.2	70.3	80.4	78.2	82.7	92.0	93.7	95.1	100.1
Farm-retail spread (cts.)	77.5	67.2	82.1	77.7	83.2	80.3	77.6	81.7	86.0	83.4
Wholesale-retail spread ⁴ (cts.)	43.7	41.4	45.7	44.5	51.0	49.0	47.5	50.3	51.8	50.7
Farm-wholesale spread ⁵ (cts.)	33.8	34.8	36.4	33.2	32.2	31.3	30.1	31.4	34.2	32.7
Farm value/retail price (%)	46	45	46	51	48	51	54	53	53	55

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing and transportation to city where consumed.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1981	1982					
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug
Rail freight rate index¹										
All products (1969=100)	243.3	284.5	327.6	333.5	350.5r	351.4	351.6	351.5	351.5	352.0
Farm products (1969=100)	235.9	275.6	315.0	315.1	337.0r	338.3	338.3	338.3	338.3	337.3
Grain (Dec. 1978=100)	107.4	127.9	148.1	149.5	159.7r	160.2	160.0	160.2	160.2	159.7
Food products (1969=100)	239.2	283.1	329.4	334.8	353.1r	353.7	353.7	353.7	353.7	353.1
Rail carloadings of grain (thou. cars) ²	27.5	30.1	26.3	27.0	27.7r	23.6	23.8	22.5	27.0	25.1
Barge shipments of grain (mln. bu.) ³	31.2	36.7	38.2	45.4	36.3r	39.4r	44.7	40.3	38.7	40.9
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ^{3,4}	n.a.	124	247	302	291	321	435	453	840	297
Rail (thou. cwt.) ^{3,4}	806	1,218	711	398	738	591	675	1,173	447	438
Truck (thou. cwt.) ^{3,4}	7,558	7,594	7,662	3,718	7,451	8,579	9,096	8,768	8,038	7,477

¹ Department of Labor, Bureau of Labor Statistics, revised April 1982. ² Weekly average, from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1982. n.a. = not available. r = revised.

Livestock and Products

Poultry and eggs

	Annual			1981		1982				
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug
Broilers										
Federally inspected slaughter, certified (mil. lb.)	10,916	11,272	11,906	1,003.8	1,050.2	1,015.8	1,006.1	1,085.2	1,022.2	—
Wholesale price, 9-city, (cts./lb.)	44.4	46.8	46.3	47.3	44.8	42.6	45.8	47.0	46.1	43.4
Price of broiler grower feed (\$/ton)	189	207	227	225	207	215	217	215	217	215
Broiler-feed price ratio (lb.) ¹	2.8	2.7	2.6	2.5	2.6	2.4	2.6	2.7	2.6	2.4
Average weekly placements of broiler chicks, 21 States (mil.)	76.8	² 77.9	² 77.1	77.4	83.0	84.1	84.8	84.4	81.2	80.6
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,182	2,332	2,509	261.7	154.9	144.7	159.9	216.2	250.4	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	68.1	63.6	60.7	61.8	56.0	55.8	58.8	61.8	64.1	64.1
Price of turkey grower feed (\$/ton)	202	223	249	250	225	228	236	238	238	235
Turkey-feed price ratio (lb.) ¹	4.1	3.5	3.1	3.2	3.0	3.0	2.9	3.2	3.4	3.4
Poults hatched (mil.)	180.0	188.7	187.3	12.7	18.2	21.2	20.3	20.5	20.3	13.8
Eggs										
Price of laying feed (\$/ton)	168	188	210	207	190	191	195	195	194	191
Egg-feed price ratio (lb.) ¹	6.9	6.0	6.0	5.8	7.2	6.6	5.6	5.3	5.7	5.3
Cartoned prices, New York, grade A large (cts./doz.) ³	68.2	66.9	73.2	73.3	79.4	72.2	64.0	63.9	64.0	—
Replacement chicks hatched (mil.)	519	485	454	33.8	43.8	46.2	46.5	39.0	34.6	33.4
	Annual			⁴ 1980/81				⁴ 1981/82		
	1979	1980	1981	I	II	III	IV	I	II	III
Eggs										
Farm production (mil.)	69,325	69,671	69,633	17,459	17,554	17,185	17,406	17,370	17,407	17,065
Average number of layers on farms (mil.)	289	288	287	293	285	282	288	290	283	279
Rate of lay (eggs per layer)	240	242	243	59.7	61.6	60.9	60.5	59.8	61.6	61.1
	Annual			1980		1981			1982	
	1979	1980	1981	IV	I	II	III	IV	I	II
Stocks										
Eggs, shell (thou. cases)	38	38	31	28	19	18	25	20	38	19
Eggs, frozen (mil. lb.)	25.3	23.4	24.3	30.7	25.3	24.2	22.7	27.2	23.7	19.4
Broilers, beginning of period (mil. lb.)	20.1	30.6	22.4	30.9	25.1	26.8	26.5	33.6	30.0	28.8
Turkeys, beginning of period (mil. lb.)	175.1	240.0	198.0	384.0	257.6	207.9	256.2	466.0	305.1	236.7

¹ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. ² 19 States. ³ Price of cartoned eggs to volume buyers for delivery to retailers. ⁴ Marketing year quarters begin in December.

Dairy

	Annual			1981	1982					
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	10.91	11.88	12.57	12.47	12.45	12.45	12.43	12.42	12.42	12.44
Price of 16% dairy ration (\$/ton)	156	177	192	189	179	179	181	179	180	177
Milk-feed price ratio (lb.) ²	1.55	1.48	1.44	1.43	1.52	1.50	1.47	1.46	1.47	1.50
Wholesale prices:										
Butter, Grade A ChL (cts./lb.)	122.4	139.3	148.0	148.0	147.8	147.4	147.2	147.3	147.6	148.1
Am. cheese, Wis. assembly pt. (cts./lb.)	123.8	133.0	139.4	139.3	137.4	137.4	136.9	137.4	137.4	137.8
Nonfat dry milk, (cts./lb.) ³	80.0	88.4	93.1	92.8	93.5	93.0	92.9	93.1	93.1	93.1
USDA net removals (mil. lb.):										
Total milk equiv. (mil. lb.) ⁴	2,119.1	8,799.9	12,860.8	581.1	1,642.9	1,609.5	1,696.1	1,608.9	1,056.4	848.0
Butter (mil. lb.)	81.6	257.0	351.5	12.1	52.2	44.5	48.4	39.2	18.1	12.5
Am. cheese (mil. lb.)	40.2	349.7	563.0	33.3	56.7	69.6	70.3	80.2	68.6	59.2
Nonfat dry milk (mil. lb.)	255.3	634.3	851.3	70.0	92.0	95.0	93.6	120.7	98.3	72.6

	Annual			1980	1981				1982	
	1979	1980	1981	IV	I	II	III	IV	I	II
Milk:										
Total milk production (mil. lb.)	123,411	128,525	132,634	31,010	32,426	35,140	33,086	31,982	33,005	35,512
Milk per cow (lb.)	11,488	11,889	12,147	2,858	2,981	3,226	3,029	2,913	2,999	3,226
Number of milk cows (thou.)	10,743	10,810	10,919	10,857	10,877	10,892	10,925	10,981	11,005	10,985
Stocks, beginning										
Total milk equiv. (mil. lb.) ⁴	8,730	8,599	12,958	12,884	12,958	15,358	19,534	19,813	18,377	18,020
Commercial (mil. lb.)	4,475	5,419	5,752	6,116	5,752	5,868	5,921	5,255	5,398	5,166
Government (mil. lb.)	4,254	3,180	7,207	6,768	7,207	9,490	13,613	14,558	12,980	12,855
Imports, total equiv. (mil. lb.) ⁴	2,305	2,107	2,325	878	403	469	577	875	420	658
Commercial disappearance milk equiv. (mil. lb.)	120,185	119,160	120,226	30,225	27,870	30,194	31,648	30,513	28,335	30,903
Butter:										
Production (mil. lb.)	984.6	1,145.3	1,236.8	279.7	348.1	329.7	255.4	303.6	368.5	332.9
Stocks, beginning (mil. lb.)	206.9	177.8	304.6	302.9	304.6	407.4	507.5	489.5	429.2	447.8
Commercial disappearance (mil. lb.)	895.0	878.8	877.8	237.9	190.0	215.3	228.1	244.4	206.7	215.9
American cheese:										
Production (mil. lb.)	2,189.9	2,374.6	2,584.8	568.1	634.8	734.6	608.9	606.7	555.5	740.9
Stocks, beginning (mil. lb.)	378.8	406.6	591.5	565.6	591.5	644.9	828.0	886.4	889.1	817.1
Commercial disappearance (mil. lb.)	2,113.1	2,023.9	2,090.8	535.4	517.4	503.3	526.3	544.0	529.9	521.5
Other Cheese:										
Production (mil. lb.)	1,527.3	1,608.5	1,619.7	435.8	389.9	409.4	396.5	423.8	393.6	437.8
Stocks, beginning (mil. lb.)	78.4	105.6	99.3	112.4	99.3	89.7	100.8	95.7	86.6	80.7
Commercial disappearance (mil. lb.)	1,730.4	1,827.9	1,860.0	543.8	433.7	444.9	455.6	525.8	447.9	474.5
Nonfat dry milk:										
Production (mil. lb.)	908.7	1,160.7	1,305.8	231.5	297.3	390.8	329.3	288.2	336.6	417.2
Stocks, beginning (mil. lb.)	585.1	485.2	586.8	599.4	586.8	632.5	733.1	809.0	889.7	975.6
Commercial disappearance (mil. lb.)	603.1	538.9	455.6	112.7	97.4	84.2	159.1	114.8	94.4	75.2
Frozen dessert Production (mil. gal.)⁵	1,152.1	1,168.4	1,169.4	241.2	249.8	326.7	348.0	244.8	251.1	585.8

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Prices paid f.o.b. Central States Production area, high heat spray process. ⁴ Milk equivalent, fat-solids basis. ⁵ Ice cream, ice milk, and sherbert.

Wool

	Annual			1981	1982					
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug
U.S. wool price, Boston¹ (cts./lb.)	218	245	278	283	244	240	240	240	240	240
Imported wool price, Boston² (cts./lb.)	257	265	292	267	282	277	269	259	257	250
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	106,533	113,423	127,752	10,072	12,846	9,084	8,244	9,362	5,803	n.a.
Carpet wool (thou. lb.)	10,513	10,020	10,896	982	1,030	738	890	777	569	n.a.

¹ Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2 1/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis. Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1982 is 10.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding. n.a. = not available.

Meat animals

	Annual			1981		1982					
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug	
Cattle on feed (7-States):											
Number on feed (thou. head) ¹	9,226	8,454	7,863	6,451	6,869	7,024	7,066	7,363	7,181	6,836	
Placed on feed (thou. head)	19,877	18,346	17,814	1,419	1,793	1,565	1,853	1,405	1,205	1,731	
Marketings (thou. head)	18,793	17,448	17,168	1,526	1,542	1,414	1,413	1,495	1,482	1,689	
Other disappearance (thou. head)	1,856	1,489	1,263	55	96	109	143	92	68	61	
Beef steer-corn price ratio,											
Omaha (bu.) ²	28.7	25.1	22.2	23.8	26.5	26.5	27.2	26.5	26.1	29.2	
Hog-corn price ratio, Omaha (bu.) ²	18.1	14.6	15.5	18.1	19.8	19.8	21.8	22.1	23.3	27.9	
Market prices (\$ per cwt.)											
Slaughter cattle:											
Choice steers, Omaha	67.75	66.96	63.84	66.37	65.80	69.11	72.10	70.18	66.18	65.14	
Utility cows, Omaha	50.10	45.73	41.93	44.31	39.41	41.26	43.40	42.73	42.52	42.62	
Choice vealers, S. St. Paul	91.41	75.53	77.16	77.25	71.50	78.00	82.88	85.00	84.38	81.12	
Feeder cattle:											
Choice, Kansas City, 600-700 lb.	83.08	75.23	66.24	85.75	85.78	66.08	67.78	65.57	65.03	67.85	
Slaughter hogs:											
Barrows and gilts, 7-markets ³	42.06	40.04	44.45	50.92	49.38	52.08	58.14	59.16	59.83	63.13	
Feeder pigs:											
S. Mo. 40-50 lb. (per head)	35.26	30.14	35.40	38.55	52.04	65.94	57.84	53.12	53.26	60.33	
Slaughter sheep and lambs:											
Lambs, Choice, San Angelo	68.75	66.42	58.40	61.62	60.70	66.54	67.12	63.33	57.50	54.75	
Ewes, Good, San Angelo	32.82	24.68	26.15	21.12	31.80	26.12	21.44	24.38	26.88	21.00	
Feeder lambs:											
Choice, San Angelo	77.53	68.36	56.86	54.56	57.65	64.88	63.50	55.38	51.31	48.50	
Wholesale meat prices, Midwest											
Choice steer beef, 600-700 lb.	101.62	104.44	99.84	103.90	103.82	109.50	115.14	111.21	102.61	100.75	
Canner and Cutter cow beef	100.23	92.45	84.06	88.93	83.46	80.98	82.18	81.11	80.94	80.39	
Pork loins, 8-14 lb.	91.35	84.87	96.56	104.88	95.45	105.81	115.68	122.12	121.29	122.11	
Pork bellies, 12-14 lb.	46.00	43.78	52.29	59.54	66.67	74.38	80.82	76.72	84.50	93.50	
Hams, skinned, 14-17 lb.	77.04	73.34	77.58	84.33	90.69	81.82	86.78	86.00	87.62	96.19	
	Annual			1981		1982					
	1979	1980	1981	I ⁴	III	IV	I	II	III	IV	
Cattle on feed (13-States):											
Number on feed (thou. head) ¹	11,233	10,399	9,845	8,666	8,646	8,210	9,028	8,818	8,981	—	
Placed on feed (thou. head)	23,923	22,548	21,874	5,590	5,275	6,193	5,567	5,766	—	—	
Marketings (thou. head)	22,599	21,306	21,184	5,113	5,460	5,034	5,438	5,194	—	—	
Other disappearance (thou. head)	2,158	1,796	1,527	497	251	341	339	409	—	—	
Hogs and pigs (10-States):⁴											
Inventory (thou. head) ¹	50,920	49,090	45,970	45,275	46,200	47,170	45,970	40,610	41,190	41,620	
Breeding (thou. head) ¹	7,114	6,840	6,021	6,500	8,355	6,357	6,021	5,578	5,689	5,545	
Market (thou. head) ¹	43,806	42,250	39,949	38,775	39,845	40,813	39,949	35,032	35,501	36,075	
Farrowings (thou. head)	10,912	10,527	9,821	2,750	2,461	2,418	1,977	2,391	2,237	⁴ 2,165	
Pig crop (thou. head)	77,320	76,230	72,591	20,741	18,134	17,853	14,059	17,943	—	—	
Commercial slaughter (thou. head)⁴											
Cattle	33,678	33,907	34,953	8,496	8,879	8,992	8,669	8,641	—	—	
Steers	17,377	17,156	17,491	4,408	4,293	4,338	4,425	4,389	—	—	
Heifers	9,741	9,594	10,027	2,354	2,707	2,586	2,334	2,353	—	—	
Cows	5,930	6,332	6,643	1,526	1,660	1,880	1,737	1,685	—	—	
Bulls and stags	629	724	775	200	218	186	173	214	—	—	
Calves	2,823	2,588	2,798	594	715	802	770	674	—	—	
Sheep and lambs	5,017	5,539	6,008	1,439	1,520	1,600	1,602	1,537	—	—	
Hogs	89,099	96,074	91,575	22,594	21,277	24,026	21,725	20,710	—	—	
Commercial Production (mil. lb.)											
Beef	21,262	21,470	22,214	5,435	5,541	5,676	5,449	5,363	—	—	
Veal	411	379	414	95	105	115	107	99	—	—	
Lamb and mutton	282	310	328	77	79	88	90	85	—	—	
Pork	15,270	16,432	15,717	3,881	3,606	4,155	3,695	3,550	—	—	

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ 220-240 lb. Beginning in January 230-240 lb. ⁴ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁵ Intentions. ⁶ Classes estimated.

Crops and Products

Feed grains

	Marketing year ¹			1981	1982					
	1978/79	1979/80	1980/81	Aug	Mar	Apr	May	June	July	Aug
Wholesale prices:										
Corn, No. 2 yellow, St. Louis (\$/bu.)	2.51	2.73	3.35	3.03	2.66	2.78	2.78	2.75	2.68	2.42
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.00	4.65	5.36	4.58	4.28	4.45	4.48	4.50	4.38	4.02
Barley, feed, Minneapolis (\$/bu.)	1.80	2.16	2.60	2.35	2.16	2.16	2.24	2.12	1.85	1.72
Barley, malting, Minneapolis (\$/bu.)	2.38	2.87	3.64	3.15	2.99	2.98	3.05	2.93	2.63	2.48
Exports:										
Corn (mil. bu.)	2,133	2,433	2,355	141	190	196	213	180	121	n.a.
Feed grains (mil. metric tons) ²	60.2	71.3	69.3	4.7	5.6	5.4	5.8	5.0	3.7	n.a.

	Marketing year ¹			1980	1981			1982	
	1978/79	1979/80	1980/81	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar
Corn:									
Stocks, beginning (mil. bu.)	1,111	1,304	1,617	1,618	5,859	3,987	2,774	1,034	6,899
Domestic use:									
Feed (mil. bu.)	4,323	4,519	4,139	1,523	1,100	685	831	1,621	1,182
Food, seed, ind. (mil. bu.)	620	675	735	152	139	133	311	170	152
Feed grains:³									
Stocks, beginning (mil. metric tons)	41.4	46.2	52.4	60.4	172.9	117.4	80.7	45.5	205.3
Domestic use:									
Feed (mil. metric tons)	135.9	138.7	123.0	45.6	32.1	20.8	24.8	49.0	36.3
Food, seed, ind. (mil. metric tons)	20.9	22.3	23.8	4.9	4.7	4.6	9.5	5.3	5.2

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² Aggregated data for corn, sorghum, oats, and barley.

Food grains

	Marketing year ¹			1981	1982					
	1978/79	1979/80	1980/81	Aug	Mar	Apr	May	June	July	Aug
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	3.38	4.25	4.45	4.14	4.25	4.28	4.22	4.06	3.74	3.70
Wheat, DNS, Minneapolis (\$/bu.) ²	3.17	4.16	4.46	4.03	4.10	4.21	4.16	4.08	4.08	3.78
Flour, Kansas City (\$/cwt.)	7.81	10.03	10.35	10.30	10.64	10.42	10.33	10.26	10.21	9.98
Flour, Minneapolis (\$/cwt.)	8.17	10.27	10.98	10.75	10.74	10.54	10.55	10.50	10.54	10.19
Rice, S.W. La. (\$/cwt.) ³	18.40	22.15	25.95	26.40	18.00	17.55	17.60	17.20	17.00	17.50
Wheat:										
Exports (mil. bu.)	1,194	1,375	1,514	150	165	159	123	162	120	—
Mill grind (mil. bu.)	622	630	643	53	57	50	49	50	52	—
Wheat flour production (mil. cwt.)	278	283	289	24	25	22	22	22	23	—

	Marketing year ¹			1981				1982		
	1978/79	1979/80	1980/81	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept p
Wheat:										
Stocks, beginning (mil. bu.)	1,178	924	902	1,903	1,329	989	2,734	2,176	1,557	1,159
Domestic use:										
Food (mil. bu.)	592	596	611	150	96	202	159	151	87	—
Feed and seed (mil. bu.) ⁴	245	187	165	24	20	225	-28	27	29	—
Exports (mil. bu.)	1,194	1,375	1,514	400	224	622	427	441	282	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. p = preliminary.

Vegetables

	Annual			1981	1982					
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	4.54	6.32	9.39	7.34	6.48	7.27	7.99	10.56	6.30	4.57
iceberg lettuce (\$/crt.) ¹	5.10	4.25	5.27	6.30	5.19	8.09	4.78	4.18	5.26	3.68
Tomatoes (\$/crt.) ²	7.86	7.57	9.06	6.20	8.04	5.22	7.76	10.20	6.09	4.43
Wholesale price index, 10 canned										
veg. (1967=100)	191	200	235	240	239	241	242	243	242	242
Grower price index, fresh commercial										
veg. (1977=100)	109	110	133	119	129	123	112	116	113	99

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1981	1982					
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug
U.S. raw sugar price, N.Y. (cts./lb.) ¹	15.56	30.11	19.73	17.42	17.13	17.89	19.57	21.03	22.15	22.45
U.S. deliveries (thou. short tons) ^{2,3}	10,714	10,149	9,731	853	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. n.a. = not available.

Tobacco

	Annual			1981	1982					
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug
Prices at auctions:										
Flue-cured (cts./lb.) ¹	140.0	144.5	166.4	163.5	—	—	—	—	151.5	178.0
Burley (cts./lb.) ¹	145.2	165.9	180.6	—	—	—	—	—	—	—
Domestic consumption²										
Cigarettes (bil.)	614.0	620.7	641.5	58.2	57.4	48.4	48.2	60.6	n.a.	n.a.
Large cigars (mil.)	4,298	3,994	3,920	319.8	328.2	300.7	317.2	348.6	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available.

Coffee

	Annual			1981	1982					
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug
Composite green price, N.Y. (cts./lb.)	169.50	157.78	122.10	119.31	136.01	131.81	128.49	129.07	125.11	127.94
Imports, green bean equivalent (mil. lb.) ¹	2,656	2,466	2,248	162	203	154	199	185	173	190 F
	Annual			1981				1982		
	1979	1980	1981	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June F	July-Sept F
Roastings (mil. lb.) ²	2,249	2,255	2,324	627	524	516	657	615	500	490

¹ Green and processed coffee. ² Instant soluble and roasted coffee. F = Forecast.

Fats and oils

	Marketing year ¹			1981		1982				
	1978/79	1979/80	1980/81	Aug	Mar	Apr	May	June	July	Aug
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	7.09	6.46	7.59	6.95	6.16	² 6.48	6.56	6.27	6.18	—
Crushings (mil. bu.)	1,017.8	1,123.0	1,020.5	74.6	85.1	81.0	86.6	77.1	70.6	—
Exports (mil. bu.)	753.0	875.0	724.3	41.9	79.0	85.7	90.6	59.8	53.8	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	27.2	24.3	22.5	20.8	18.5	19.7	20.6	19.4	19.0	17.9
Production (mil. lb.)	11,323.4	12,105.3	11,270.2	827.2	912.1	866.8	930.2	828.4	765.6	—
Domestic disappearance (mil. lb.)	8,941.7	8,980.7	9,115.6	767.0	784.8	748.0	920.9	748.6	737.7	—
Exports (mil. lb.)	2,334.0	2,690.0	1,626.6	301.4	126.5	148.5	103.3	208.0	270.2	—
Stocks, beginning (mil. lb.)	729.0	776.0	1,210.2	2,024.4	2,140.6	2,141.4	2,111.6	2,017.7	1,869.4	1,647.0
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	190.06	181.91	218.18	202.3	183.6	190.3	192.4	183.6	181.9	169.0
Production (thou. ton)	24,354.4	27,105.1	24,312.1	1,787.8	2,049.9	1,930.5	2,066.0	1,844.3	1,684.4	—
Domestic disappearance (thou. ton)	17,720.1	19,215.0	17,596.8	1,325.9	1,471.1	1,269.5	1,285.0	1,471.0	1,353.6	—
Exports (thou. ton)	6,609.8	7,931.9	6,778.2	416.9	713.4	679.2	643.8	457.7	346.6	—
Stocks, beginning (thou. ton)	243.0	267.4	225.6	188.8	324.9	190.3	172.1	309.3	224.9	209.1
Margarine, wholesale price, Chicago (cts./lb.)	43.5	50.3	47.0	42.6	40.3	41.0	42.2	42.5	42.4	41.7

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year for margarine. ² Beginning April 1, 1982 prices based on 30 day delivery, using upper end of the range.

Cotton

	Marketing year ¹			1981		1982				
	1978/79	1979/80	1980/81	Aug	Mar	Apr	May	June	July	Aug
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	61.6	71.5	83.0	66.4	59.7	62.0	62.4	61.1	65.0	60.4
Northern Europe prices:										
Index (cts./lb.) ³	n.a.	n.a.	93.3	80.7	70.4	71.5	76.7	75.6	78.5	76.4
U.S. M 1-3/32" (cts./lb.) ⁴	n.a.	n.a.	n.a.	81.9	74.7	77.4	78.9	75.4	80.6	77.1
U.S. mill consumption (thou. bales)	6,434.8	6,463.0	5,870.5	446.5	518.0	431.2	411.4	479.6	337.4	—
Exports (thou. bales)	6,180.2	9,228.9	5,925.8	244.3	924.0	709.7	509.1	523.2	416.8	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" Index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths. n.a. = not available.

Fruit

	Annual			1981	1982					
	1979	1980	1981	Aug	Mar	Apr	May	June	July	Aug
Wholesale price indexes:										
Fresh fruit (1967=100)	230.4	237.3	226.7	220.8	230.0	243.2	244.7	221.1	215.4	247.6
Dried fruit (1967=100)	479.6	399.2	405.9	408.7	410.0	410.0	407.2	407.2	407.2	407.2
Canned fruit and juice (1967=100)	240.2	256.4	273.8	278.6	285.1	284.3	284.1	287.1	285.1	283.8
Frozen fruit and juice (1967=100)	248.5	244.3	302.8	319.9	318.0	313.2	306.4	302.3	302.7	301.3
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	³ 15.77	³ 14.41	³ 14.09	³ 14.63	³ 15.55	³ 13.43	³ 10.15
Pears, Medford, Dr. (\$/box) ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	12.50	9.58	11.00	12.80	12.80	13.10	15.40	16.80	17.10	19.20
Grapefruit, U.S. avg. (\$/box)	8.00	8.50	10.10	12.20	8.64	8.97	9.23	9.95	11.00	9.84
	Year Ending			1980	1981				1982	
	1979	1980	1981	June	Mar	June	Sept	Dec	Mar	June
Stocks, ending:										
Fresh apples (mil. lb.)	2,624.5	2,790.2	3,244.6	140.2	1,486.1	184.9	1,424.9	2,676.0	1,055.2	276.9
Fresh pears (mil. lb.)	195.3	157.6	205.0	n.a.	73.8	n.a.	515.6	207.9	72.1	n.a.
Frozen fruit (mil. lb.)	517.9	563.3	579.5	415.4	450.9	406.1	563.1	520.6	374.5	347.2
Frozen fruit juices (mil. lb.)	714.0	733.1	1,008.4	1,816.3	1,513.9	1,866.8	1,341.3	1,127.2	1,765.8	1,885.3

¹ Red Delicious, Washington extra fancy, carton tray pack. 80-113's. ² D'Anjou pears, Medford, or wrapped, U.S. No. 1, 100-135's. ³ Control atmosphere storage. n.a. = not available.

Supply and utilization—domestic measure, continued

	Area		Yield	Production	Total Supply ²	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		lb/acre								c/lb
Cotton:											
1978/79	13.4	12.4	420	10.9	16.2	—	6.4	6.2	12.5	4.0	\$58.4
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	\$62.5
1980/81	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	2.7	\$74.7
1981/82	14.3	13.8	543	15.6	18.3	—	5.3	6.6	11.9	6.5	—
1982/83	11.5	9.3	569	11.0	17.5	—	5.6	8.3	11.9	5.8	—

Supply and utilization—metric measure⁶

	Mil. hectares		Metric tons/ha	Mil. metric tons							\$/metric ton
Wheat:											
1978/79	26.7	22.9	2.11	48.3	80.4	4.3	18.5	32.5	55.3	25.1	109
1979/80	28.9	25.3	2.30	58.1	83.3	2.3	19.0	37.4	58.7	24.5	139
1980/81*	32.6	28.7	2.25	64.6	89.2	1.4	19.7	41.2	62.3	26.9	144
1981/82*	36.0	32.7	2.32	76.0	103.0	3.8	19.4	48.3	71.5	31.5	134
1982/83*	35.3	32.0	2.36	76.6	108.3	3.4	19.5	48.3	71.2	37.1	125-132
Mil. metric tons (rough equiv.)											
Rice:											
1978/79	1.2	1.2	5.03	6.0	7.3	70.2	2.3	3.4	5.9	1.4	180
1979/80	1.2	1.2	5.15	6.0	7.4	70.3	2.2	3.7	6.2	1.2	231
1980/81*	1.4	1.3	4.95	6.6	7.8	70.4	2.5	4.2	7.1	0.7	282
1981/82*	1.6	1.5	5.46	8.4	9.2	70.6	2.7	3.7	7.0	2.2	204
1982/83*	1.3	1.3	5.39	7.2	9.4	70.5	2.8	4.1	7.4	2.0	204-215
Mil. metric tons											
Corn:											
1978/79	33.1	29.1	6.34	184.6	212.8	109.8	15.7	54.2	179.7	33.1	89
1979/80	32.9	29.3	6.88	201.6	234.8	114.8	17.1	61.8	193.7	41.1	99
1980/81*	34.0	29.5	5.72	168.8	209.9	105.1	18.7	59.8	183.6	26.3	122
1981/82*	34.1	30.2	6.90	208.3	234.6	109.2	19.9	50.8	180.0	54.6	96
1982/83*	33.1	29.5	7.16	211.3	266.0	111.8	21.6	59.7	193.0	72.9	91-98
Feed Grain:											
1978/79	60.3	42.7	6.19	221.5	263.2	135.9	20.9	60.2	217.0	46.2	—
1979/80	48.1	41.5	5.74	238.2	284.7	138.7	22.3	71.3	232.3	52.4	—
1980/81*	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.6	—
1981/82*	50.0	43.3	5.74	248.4	283.3	130.8	25.1	59.7	215.6	67.7	—
1982/83*	49.5	43.1	5.84	252.0	320.0	134.0	26.8	68.5	229.3	90.7	—
Soybeans:											
1978/79	26.2	25.8	1.98	50.9	55.3	42.7	27.7	20.1	50.6	4.7	245
1979/80	29.0	28.6	2.16	61.7	68.5	42.3	30.6	23.8	56.7	9.8	231
1980/81*	28.4	27.5	1.78	48.8	58.5	42.4	27.8	19.7	49.9	8.7	278
1981/82*	27.7	27.0	2.05	55.3	63.9	43.2	28.0	25.3	56.5	7.4	222
1982/83*	—	—	—	63.0	70.0	42.5	29.7	26.1	58.3	12.0	193-205
Soybean oil:											
1978/79	—	—	—	5.14	5.47	—	4.06	1.06	5.12	.35	597
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55	536
1980/81*	—	—	—	5.11	5.66	—	4.14	.74	4.88	.79	500
1981/82*	—	—	—	4.97	5.76	—	4.29	.95	5.24	.52	419
1982/83*	—	—	—	5.39	5.98	—	4.42	.98	5.40	.51	353-441
Soybean meal:											
1978/79	—	—	—	22.09	22.31	—	16.08	6.00	22.07	.24	209
1979/80	—	—	—	24.59	24.83	—	17.43	7.20	24.63	.20	201
1980/81*	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82*	—	—	—	22.28	22.29	—	15.86	6.35	22.21	.22	202
1982/83*	—	—	—	23.59	23.81	—	16.42	7.12	23.54	.27	165-193
\$/kg											
Cotton:											
1978/79	5.4	5.0	.47	2.36	3.53	—	1.39	1.35	2.72	.87	\$1.29
1979/80	5.7	5.2	.61	3.19	4.05	—	1.42	2.00	3.42	.65	\$1.38
1980/81*	5.9	5.4	.45	2.42	3.07	—	1.28	1.28	2.57	.59	\$1.65
1981/82*	5.8	5.6	.61	3.41	3.99	—	1.15	1.44	2.59	1.42	—
1982/83*	4.7	3.8	.64	2.40	3.81	—	1.22	1.37	2.59	1.26	—

September 13, 1982 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1981				1982	
	1979	1980	1981	I	II	III	IV	I	II
\$ bil. (Quarterly data seasonally adjusted at annual rates)									
Gross national product¹	2,417.8	2,633.1	2,937.7	2,864.9	2,901.8	2,980.9	3,003.2	2,995.5	3,045.2
Personal consumption expenditures	1,507.2	1,667.2	1,843.2	1,799.9	1,819.4	1,868.8	1,884.5	1,919.4	1,947.8
Durable goods	212.3	214.3	234.6	236.9	230.4	241.2	229.6	237.9	240.7
Nondurable goods	602.2	670.4	734.5	720.6	729.6	741.3	746.5	749.1	755.0
Clothing and shoes	99.1	104.7	114.6	112.3	114.0	115.9	116.0	117.5	118.4
Food and beverages	311.6	343.7	375.3	368.8	372.1	378.0	382.3	387.9	395.0
Services	696.3	782.5	874.1	842.4	859.4	886.3	908.3	932.4	952.1
Gross private domestic investment	415.8	402.3	471.5	455.7	475.5	486.0	468.9	414.8	431.5
Fixed investment	398.3	412.4	451.1	443.5	450.9	454.2	455.7	450.4	447.7
Nonresidential	290.2	309.2	346.1	330.0	341.3	353.0	360.2	357.0	352.2
Residential	118.6	103.2	104.9	113.6	109.5	101.2	95.5	93.4	95.5
Change in business inventories	14.3	-10.0	20.5	12.2	24.6	31.8	13.2	-35.6	-16.2
Net exports of goods and services	13.2	25.2	26.1	31.2	23.7	25.9	23.5	31.3	34.9
Exports	281.3	339.2	367.3	365.4	368.9	367.2	367.9	359.9	365.8
Imports	267.9	314.0	341.3	334.2	345.1	341.3	344.4	328.6	330.9
Government purchases of goods and services	474.4	538.4	596.9	578.1	583.2	600.2	626.3	630.1	630.9
Federal	167.9	197.2	228.9	217.0	218.2	230.0	250.5	249.7	244.3
State and local	305.9	341.2	368.0	361.1	365.0	370.1	375.7	380.4	386.6
1972 \$bil. (Quarterly data seasonally adjusted at annual rates)									
Gross national product	1,479.4	1,474.0	1,502.6	1,507.8	1,502.2	1,510.4	1,490.1	1,470.7	1,478.4
Personal consumption expenditures	927.6	930.5	947.6	951.1	944.6	951.4	943.4	949.1	955.0
Durable goods	146.6	137.1	140.0	145.3	138.6	142.2	134.1	137.5	138.3
Nondurable goods	354.6	355.8	362.4	361.6	361.7	363.0	363.1	362.2	364.5
Clothing and shoes	76.7	78.0	82.7	82.1	82.6	83.1	83.0	83.8	84.0
Food and beverages	176.1	180.2	181.4	181.4	181.3	180.9	182.0	181.7	183.0
Services	429.6	437.6	445.2	444.2	444.3	446.2	446.2	449.5	452.2
Gross private domestic investment	232.6	208.4	225.8	221.6	229.5	233.4	218.9	195.4	202.3
Fixed investment	222.5	213.3	216.9	219.2	217.4	216.9	214.1	210.8	206.7
Nonresidential	169.9	166.1	172.0	169.7	170.1	173.9	174.2	172.0	166.7
Residential	59.1	47.2	44.9	49.6	47.3	42.9	39.9	38.9	40.1
Change in business inventories	7.3	-5.0	9.0	2.4	12.1	16.5	4.8	-15.4	-4.4
Net exports of goods and services	37.2	50.6	42.0	48.2	44.2	39.2	36.5	36.9	35.7
Exports	146.9	159.2	158.5	159.3	159.7	157.8	156.9	151.7	154.4
Imports	109.2	108.6	116.4	111.1	115.5	118.7	120.4	114.7	118.7
Government purchases of goods and services	278.3	284.6	287.1	286.8	283.9	286.4	291.3	289.2	285.3
Federal	101.7	106.5	110.4	107.9	107.0	110.7	116.0	114.4	110.3
State and local	180.1	178.1	176.7	179.0	176.9	175.7	175.3	174.9	175.0
New plant and equipment expenditures (\$bil.)	270.46	295.63	321.49	312.24	316.73	328.25	327.83	327.72	323.75
Implicit price deflator for GNP (1972=100)	163.42	178.64	195.51	190.01	193.17	197.36	201.55	203.68	205.98
Disposable income (\$bil.)	1,641.7	1,824.1	2,029.1	1,958.7	1,996.5	2,060.0	2,101.4	2,117.1	2,151.5
Disposable income (1972 \$bil.)	1,011.5	1,018.0	1,043.1	1,035.0	1,036.6	1,048.8	1,051.9	1,046.9	1,054.8
Per capita disposable income (\$)	7,331	8,012	8,827	8,551	8,698	8,951	9,107	9,155	9,298
Per capita disposable income (1972 \$)	4,512	4,472	4,538	4,519	4,516	4,557	4,559	4,527	4,558
U.S. population, tot. incl. military abroad (mil.)*	225.1	227.7	229.9	229.1	229.5	230.1	230.8	231.2	231.7
Civilian population (mil.)*	223.0	225.6	227.7	226.9	227.4	228.0	228.6	229.1	229.5

See footnotes at end of next table.

Selected monthly indicators

	Annual			1981			1982			
	1979	1980	1981 p	Aug	Mar	Apr	May	June	July	Aug p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	152.5	147.0	151.0	153.6	141.7	140.2	139.2	138.5	138.7	138.0
Manufacturing (1967=100)	153.6	146.7	150.4	153.2	140.1	138.7	137.9	137.6	137.9	137.2
Durable (1967=100)	146.4	136.7	140.5	143.4	128.2	126.7	126.1	125.5	125.9	124.6
Nondurable (1967=100)	164.0	161.2	164.8	167.3	157.3	156.1	155.0	155.0	155.3	155.4
Leading economic indicators ^{1,2} (1967=100)	140.1	131.2	133.1	134.1	125.1	126.6	127.7	128.3	129.8	128.6
Employment ⁴ (Mil. persons) ⁵	96.9	97.3	100.4	100.8	99.5	99.3	100.1	99.8	99.7	99.8
Unemployment rate ⁴ (%) ⁵	5.8	7.1	7.6	7.3	9.0	9.4	9.5	9.5	9.8	9.8
Personal income ¹ (\$ bil. annual rate)	1,951.2	2,160.4	2,415.8	2,459.6	2,518.6	2,535.5	2,556.2	2,566.3	2,592.5	2,601.0
Hourly earnings in manufacturing ^{4,6} (\$)	6.70	7.27	7.99	8.03	8.37	8.42	8.45	8.50	8.55	8.51
Money stock-M1 (daily avg.) (\$bil.) ¹	\$389.0	\$414.5	\$440.9	431.1	448.3	452.4	451.5	451.4	451.3	455.2
Money stock-M2 (daily avg.) (\$bil.) ¹	\$1,518.9	\$1,656.1	\$1,822.7	1,772.4	1,865.2	1,880.7	1,897.5	1,907.9	1,923.4	1,946.1
Three-month Treasury bill rate ² (%)	10.041	11.506	14.077	15.612	12.493	12.821	12.148	12.108	11.914	9.006
Aaa corporate bond yield (Moody's) ^{7,8} (%)	9.63	11.94	14.17	14.89	14.58	14.46	14.26	14.81	14.61	13.73
Interest rate on new home mortgages ^{9,8} (%)	10.78	12.66	14.70	15.27	15.67	15.84	15.89	15.40	15.70	15.71
Housing starts, private (incl. farm) (thou.)	1,745.1	1,292.2	1,084.2	946	931	882	1,066	908	1,195	1,002
Auto sales at retail, total ¹ (mil.)	10.6	9.0	8.6	10.0	7.7	7.3	8.2	7.0	7.4	7.6
Business sales, total ¹ (\$ bil.)	294.6	321.5	350.6	355.1	342.3	339.4	349.3	345.6	345.4p	—
Business inventories, total ¹ (\$ bil.)	423.8	464.9	497.2	504.7	512.8	514.9	510.4	512.8	513.4p	—
Sales of all retail stores (\$ bil.) ⁹	74.5	79.3	86.6	88.0	87.3	88.3	90.8	88.0	89.1p	88.3
Durable goods stores (\$ bil.)	25.4	24.7	27.2	28.1	27.0	28.0	29.4	27.2	27.3p	26.4
Nondurable goods stores (\$ bil.)	49.1	54.6	59.4	59.9	60.3	60.3	61.4	60.9	61.8p	61.9
Food stores (\$ bil.)	16.3	18.1	19.8	20.1	20.3	20.6	21.0	20.6	20.9p	21.2
Eating and drinking places (\$ bil.)	6.6	7.2	7.9	7.8	8.3	8.4	8.5	8.5	8.6p	8.6
Apparel and accessory stores (\$ bil.)	3.5	3.7	4.0	4.0	4.2	4.0	4.2	4.0	4.1p	4.0

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite Index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. * Data for 1981 have been revised based on 1980 census population count.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1981			1982			
	1979	1980	1981†	Aug	Mar	Apr	May	June	July	Aug
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.45	4.78	4.80	4.36	4.62	4.65	4.56	4.14	4.15	4.20
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.01	3.28	3.40	3.38	2.95	3.05	3.04	2.97	2.87	2.68
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.85	3.38	3.28	5.59	2.92	2.98	3.03	2.90	2.67	2.66
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.59	7.39	7.40	7.25	6.53	6.81	6.92	6.56	6.55	6.15
Soybean oil, Decatur (cts./lb.)	27.59	23.63	21.07	20.41	18.47	19.52	20.54	19.36	19.03	17.82
Soybean meal, Decatur (\$/ton)	191.08	196.47	218.65	200.36	184.78	190.67	192.00	183.89	180.69	168.57
Cotton, 10 market avg. spot (cts./lb.)	61.81	81.13	71.93	66.44	59.73	62.02	62.44	61.10	64.96	60.38
Tobacco, avg. price of auction (cts./lb.)	132.15	142.29	156.48	162.04	169.97	168.94	168.94	169.51	161.00	175.49
Rice, f.o.b. mill, Houston (\$/cwt.)	20.25	21.89	25.63	25.00	19.20	19.00	19.00	18.79	17.75	18.25
Inedible tallow, Chicago (cts./lb.)	23.45	18.52	15.27	15.00	14.13	14.44	14.50	14.31	13.63	11.95
Import commodities:										
Coffee, N.Y. spot (\$/lb.)	1.74	1.64	1.27	1.29	1.44	1.41	1.39	1.41	1.40	1.38
Sugar, N.Y. spot (cts./lb.)	15.61	30.10	19.73	17.42	17.13	17.9	19.57	21.03	22.15	22.42
Rubber, N.Y. spot (cts./lb.)	64.57	73.80	56.79	53.72	47.25	45.83	46.04	46.33	46.77	46.43
Cocoa beans, N.Y. (\$/lb.)	1.44	1.14	.90	.97	.84	.75	.73	.66	.66	.66
Bananas, f.o.b. port of entry (\$/40-lb. box)	5.91	6.89	7.28	5.54	7.65	8.64	7.95	7.25	5.94	5.49

n.a. = not available.

U.S. agricultural exports

	October-July				July			
	1980/81	1981/82	1980/81	1981/82	1981	1982	1981	1982
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry.	—	—	155,810	174,052	—	—	30,932	13,884
Meat and preps., excluding poultry (mt).	371	375	850,330	841,379	26	31	56,302	67,942
Dairy products, excluding eggs	—	—	188,483	321,101	—	—	28,419	23,270
Poultry and poultry products	—	—	645,585	507,944	—	—	58,466	37,423
Grains and preparations	—	—	17,159,468	13,954,984	—	—	1,432,514	1,005,321
Wheat and wheat flour (mt).	33,835	38,430	6,382,650	6,514,974	3,816	3,237	840,962	498,595
Rice, milled (mt).	1,463	1,696	765,895	762,704	145	124	81,223	49,606
Feed grains, excluding products (mt).	59,526	50,890	9,115,527	6,187,685	4,619	3,639	666,266	416,846
Other.	—	—	895,396	489,621	—	—	44,063	38,274
Fruits, nuts, and preparations	—	—	1,781,501	1,670,819	—	—	169,223	152,245
Vegetables and preparations	—	—	1,275,504	1,315,041	—	—	83,145	80,579
Sugar & preps., including honey.	—	—	606,335	160,807	—	—	60,028	8,340
Coffee, tea, cocoa, spices, etc. (mt).	44	42	197,701	181,954	4	4	16,719	17,067
Feeds and fodders.	—	—	2,412,804	2,273,408	—	—	170,194	164,778
Protein meal (mt).	5,874	8,012	1,502,025	1,376,186	329	335	78,879	75,831
Beverages, excl. distilled alcohol (Lit).	96,340	53,382	48,411	28,537	4,826	7,444	2,437	3,937
Tobacco, unmanufactured (mt).	218	228	1,136,986	1,328,892	14	11	79,839	70,098
Hides, skins, and furskins	—	—	890,559	903,557	—	—	65,300	59,167
Oilseeds	—	—	5,749,596	8,225,656	—	—	274,826	388,866
Soybeans (mt).	17,448	22,335	5,291,073	5,727,939	805	1,464	230,873	365,828
Wool, unmanufactured (mt).	3	4	24,539	36,661	(¹)	(¹)	1,462	2,373
Cotton, unmanufactured (mt).	1,157	1,383	2,069,313	1,936,926	85	96	109,839	124,845
Fats, oils, and greases (mt).	1,332	1,287	651,536	600,195	133	113	62,889	54,616
Vegetable oils and waxes (mt).	1,301	1,346	897,066	807,966	104	176	70,043	105,041
Rubber and allied gums (mt).	12	8	22,524	18,746	1	1	3,111	1,641
Other.	—	—	886,958	927,375	—	—	66,270	64,573
Total.	—	—	37,650,809	34,214,001	—	—	2,641,756	2,446,006

¹ Less than 500.

Trade balance

	October-July		July	
	1980/81	1981/82	1981	1982
	\$ Mil.			
Agricultural exports	37,651	34,214	2,842	2,446
Nonagricultural exports	155,748	149,267	15,357	14,424
Total exports ¹	193,399	183,481	18,199	16,870
Agricultural imports	14,629	12,691	1,200	1,143
Nonagricultural imports	197,781	193,360	18,977	18,469
Total imports ²	212,410	206,051	20,177	19,612
Agricultural trade balance	23,022	21,523	1,842	1,303
Nonagricultural trade balance	-42,033	-44,093	-3,620	-4,045
Total trade balance	-19,011	-22,570	-1,978	-2,742

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

U.S. agricultural exports by regions

Region and country ¹	October-July		July		Change from year earlier	
	1980/81	1981/82	1981	1982	October-July	July
	\$ Mil.				percent	
Western Europe	9,781	10,350	661	614	+6	-7
European Community (EC-10)	7,606	7,745	483	425	+2	-12
Germany, Fed. Rep.	1,514	1,425	91	66	-6	-27
Greece	184	185	15	14	+1	-7
Italy	995	873	77	48	-12	-38
Netherlands	2,745	2,947	156	164	+7	+5
United Kingdom	763	786	64	51	+3	-20
Other Western Europe	2,175	2,605	178	189	+20	+6
Portugal	663	495	79	49	-25	-38
Spain	911	1,433	62	91	+57	+47
Eastern Europe	1,759	843	112	37	-52	-67
German Dem. Rep.	328	226	14	5	-31	-64
Poland	621	150	55	10	-76	-82
Romania	409	130	25	0	-68	-100
USSR	1,349	2,293	(²)	4	+70	+100
Asia	13,616	12,065	1,144	1,035	-11	-10
West Asia	1,420	1,252	133	108	-12	-19
Iran	107	90	18	(²)	-16	-100
Iraq	134	121	7	14	-10	+100
Israel	300	274	14	17	-9	+21
Saudi Arabia	416	382	45	31	-8	-31
South Asia	329	540	65	38	+64	-42
India	173	269	38	12	+55	-68
Pakistan	93	152	13	19	+63	+46
East and Southeast Asia	11,867	10,272	946	889	-13	-6
China, Mainland	1,834	1,618	136	164	-12	+21
China, Taiwan	972	1,010	87	83	+4	-5
Japan	5,823	4,945	461	382	-15	-17
Korea, Rep.	1,871	1,319	138	130	-30	-6
Africa	2,382	2,107	225	174	-12	-23
North Africa	1,291	1,212	93	79	-6	-15
Algeria	237	196	13	16	-17	+23
Egypt	855	764	58	49	-11	-16
Other Africa	1,091	895	132	94	-18	-29
Nigeria	394	449	42	37	+14	-12
Latin America and Caribbean	5,975	4,210	433	359	-30	-17
Brazil	717	466	37	28	-35	-24
Caribbean	682	634	74	62	-7	-16
Central America	313	281	29	30	-10	+3
Mexico	2,445	1,405	126	106	-43	-16
Peru	391	240	22	15	-39	-32
Venezuela	760	647	77	63	-15	-18
Canada	1,709	1,569	160	149	-8	-7
Canadian transshipments	909	513	94	54	-44	-43
Oceania	172	264	14	20	+53	+43
Total ³	37,651	34,214	2,842	2,446	-9	-14

¹ Not adjusted for transshipments through Canada. ² Less than \$500. ³ Regions may not add to totals due to rounding.

U.S. agricultural imports

	October-July				July			
	1980/81	1981/82	1980/81	1981/82	1981	1982	1981	1982
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	291,300	329,161	—	—	16,125	25,677
Meat and preparations, excl. poultry (mt) . . .	747	684	1,862,559	1,556,293	74	72	168,641	161,049
Beef and veal (mt)	550	492	1,357,919	1,044,699	53	51	118,896	105,379
Pork (mt)	169	172	431,320	451,864	18	19	41,622	51,003
Dairy products, excluding eggs	—	—	442,134	475,026	—	—	45,712	43,655
Poultry and poultry products	—	—	78,417	56,125	—	—	6,863	7,308
Grains and preparations	—	—	259,604	292,634	—	—	22,404	30,970
Wheat and flour (mt)	5	7	2,449	1,948	1	1	373	302
Rice (mt)	6	11	3,446	6,625	1	1	610	449
Feed grains (mt)	135	228	25,868	38,930	10	40	1,900	6,720
Other	—	—	227,841	245,131	—	—	19,521	23,499
Fruits, nuts, and preparations	—	—	1,236,260	1,376,903	—	—	124,141	139,613
Bananas, Fresh (mt)	2,044	2,062	417,463	447,784	202	211	43,540	44,133
Vegetables and preparations	—	—	820,477	1,000,991	—	—	107,074	60,358
Sugar and preparations, incl. honey	—	—	2,090,327	1,269,574	—	—	157,544	117,268
Sugar, cane or beet (mt)	3,078	3,258	1,888,476	1,107,162	315	326	140,905	100,171
Coffee, tea, cocoa, spices, etc. (mt)	1,384	1,283	3,744,084	3,102,271	102	115	251,869	285,031
Coffee, green (mt)	845	829	2,448,443	2,123,487	55	77	143,937	202,890
Cocoa beans (mt)	203	157	397,428	276,196	20	13	33,619	20,501
Feeds and fodders	—	—	91,208	90,789	—	—	10,055	10,007
Protein meal (mt)	30	49	6,283	8,116	6	6	1,097	989
Beverages, excl. distilled alcohol (hl)	8,238	8,944	940,900	999,517	973	917	94,170	98,539
Tobacco, unmanufactured (mt)	131	101	293,011	260,498	10	8	20,880	19,768
Hides, skins, and furskins	—	—	241,022	190,808	—	—	13,471	10,799
Oilseeds	—	—	361,127	68,340	—	—	7,680	5,486
Soybeans (mt)	11	6	3,513	1,602	(¹)	(¹)	72	48
Wool, unmanufactured (mt)	37	36	133,810	130,312	4	2	13,897	8,042
Cotton, unmanufactured (mt)	12	11	9,171	9,933	(¹)	1	373	691
Fats, oils, and greases (Lb.)	9	10	7,597	7,271	1	1	683	746
Vegetable oils and waxes (Lb.)	718	591	448,971	349,297	65	53	38,942	30,834
Rubber and allied gums (Lb.)	519	555	645,457	497,657	42	39	48,707	32,711
Other	—	—	631,318	627,299	—	—	50,786	54,785
Total	—	—	14,628,754	12,690,699	—	—	1,200,017	1,143,337

¹ Less than 500,000. Note: 1 metric ton (mt) = 2,204.622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

World Agricultural Production

World supply and utilization of major crops

	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 E	1982/83 F
	Mil. units						
Wheat:							
Area (hectare)	233.2	227.1	228.8	227.6	236.1	236.5	235.1
Production (metric ton)	421.3	384.1	446.7	422.8	439.2	453.3	449.0
Exports (metric ton) ¹	63.3	72.8	72.0	86.0	93.7	100.7	100.9
Consumption (metric ton) ²	385.8	399.2	430.0	443.5	444.6	445.9	444.6
Ending stocks (metric ton) ³	99.8	84.4	101.0	80.1	74.7	82.2	86.5
Coarse grains:							
Area (hectare)	343.7	345.1	342.8	341.1	341.2	346.2	345.3
Production (metric ton)	704.2	700.6	753.6	741.5	730.1	771.3	779.6
Exports (metric ton) ¹	82.7	84.0	90.2	100.9	105.1	103.8	103.7
Consumption (metric ton) ²	685.2	692.0	748.1	740.3	741.4	743.1	758.1
Ending stocks (metric ton) ³	77.2	85.7	91.1	91.5	80.1	108.3	129.8
Rice, milled:							
Area (hectare)	141.5	143.3	144.5	143.1	144.5	145.1	143.7
Production (metric ton)	233.9	248.2	259.9	253.9	265.8	276.2	271.4
Exports (metric ton) ⁶	10.5	9.5	11.6	12.7	13.0	12.3	12.2
Consumption (metric ton) ²	236.1	242.3	255.4	257.8	265.9	275.2	275.6
Ending stocks (metric ton) ³	18.5	24.5	29.0	25.0	24.9	25.8	21.6
Total grains:							
Area (hectare)	718.5	715.5	716.0	711.8	721.8	727.8	724.1
Production (metric ton)	1,359.4	1,333.0	1,460.2	1,416.2	1,435.1	1,500.8	1,500.0
Exports (metric ton) ¹	156.4	166.2	173.8	199.6	211.8	216.6	216.8
Consumption (metric ton) ²	1,307.1	1,333.5	1,433.5	1,441.9	1,451.9	1,464.2	1,478.3
Ending stocks (metric ton) ³	195.5	194.6	221.1	196.6	179.7	216.3	237.9
Oilseeds and meals:^{4,5}							
Production (metric ton)	66.7	78.4	83.3	95.2	85.4	92.0	100.2
Trade (metric ton)	33.9	38.8	40.6	46.2	44.1	46.5	47.3
Fats and Oils:⁴							
Production (metric ton)	47.4	52.3	54.7	58.7	56.4	58.9	62.1
Trade (metric ton)	16.9	18.3	19.3	20.8	20.0	20.8	21.0
Cotton:							
Area (hectare)	30.7	32.6	32.4	32.2	32.4	33.4	31.7
Production (bale)	56.7	64.1	60.0	65.5	65.5	71.3	66.6
Exports (bale)	17.6	19.1	19.8	22.7	19.9	20.3	19.2
Consumption (bale)	60.8	60.0	62.4	85.3	65.5	65.8	67.7
Ending stocks (bale)	20.4	25.0	22.1	22.3	22.9	28.2	27.0

E = Estimated. F = Forecast. ¹Excludes Intra-EC trade. ²Where stocks data not available (excluding USSR), consumption includes stock changes. ³Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴Soybean meal equivalent. ⁵Calendar year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.

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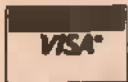
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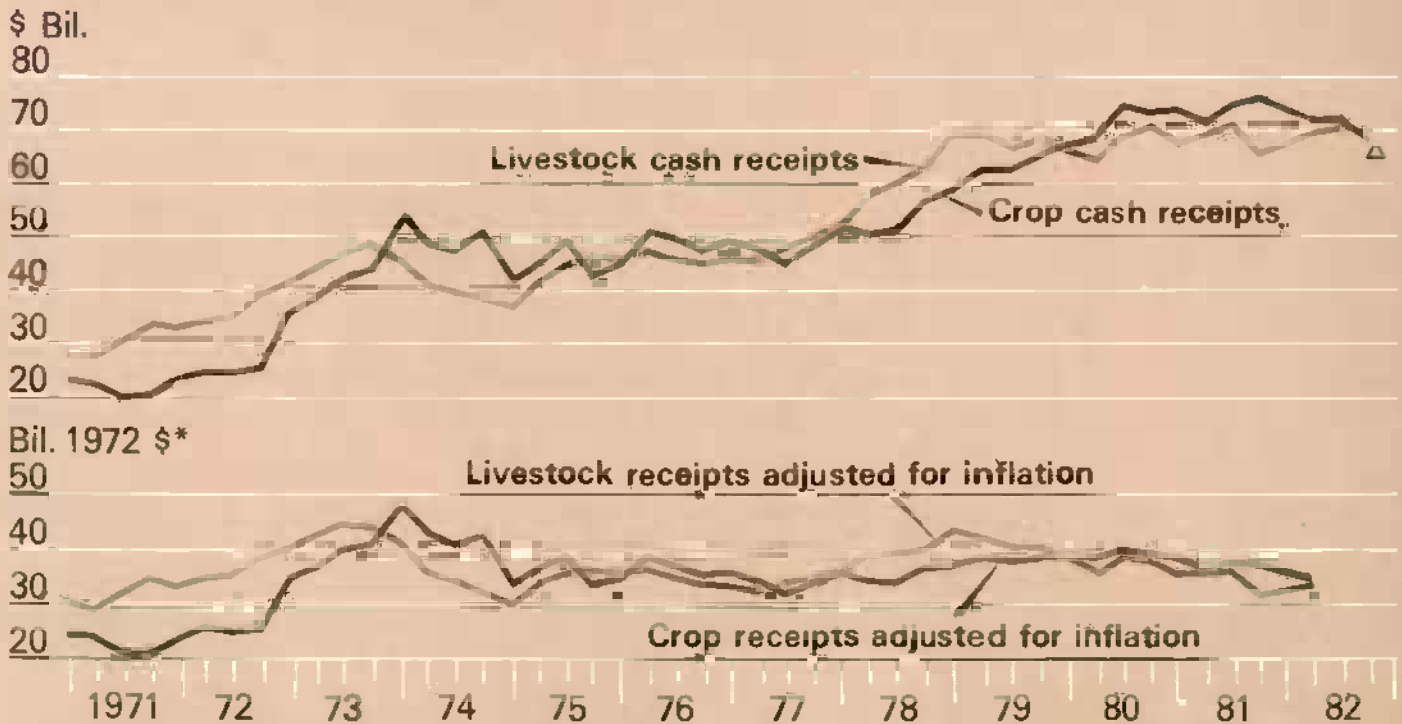
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